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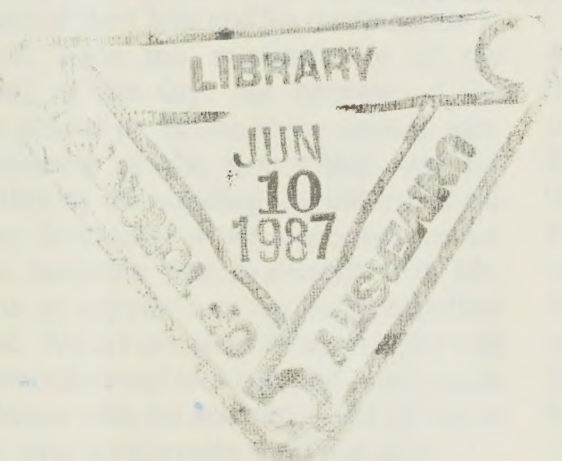


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Legislative Assembly of Ontario



Second Session, 33rd Parliament

Tuesday, October 14, 1986



Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, October 14, 1986

The House met at 2 p.m.

Prayers.

CLERK OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker: I beg to inform the House that I have laid upon the table a copy of an order in council appointing Claude L. DesRosiers as Clerk of the Legislative Assembly.

Hon. Mr. Nixon: I am delighted to offer on behalf of the government congratulations and welcome to our new Clerk. He occupies a historic position of responsibility in this House, and we wish him well.

Perhaps it is worth while bringing to public attention a substantial departure in this appointment. During the years since Confederation, the appointment of the Clerk and his continuation in office have been the responsibility of the government of the day, but because of the resolution passed by House some months ago, the appointment of the new Clerk was the responsibility of the standing committee of the Legislative Assembly, which undertook to advertise, to interview and to consult with Mr. Speaker on an appointment that is an excellent one indeed. We are proud to be associated with this new procedure and look forward to serving in the Legislature with the assistance and advice of the Clerk, who is extremely welcome here.

I notice in glancing at his curriculum vitae that the new Clerk was at one stage in his career an elected trustee of a school board in Quebec and an elected alderman; so he has had to face some of the tests and tribulations of the democratic process, which most of us here believe is extremely healthy and an excellent background for anyone dealing in a position of responsibility in the democratic process. We are delighted to welcome him to this House and we wish him well in his new duties.

Mr. Harris: Today marks the passing of a tradition in the Legislature and the beginning of a new era. For 60 years, the Lewis family, father Alex and son Roderick, have served this chamber as Clerks of the Ontario Legislature.

No matter what has been said, I want to assure outgoing Clerk Rod Lewis of the personal friendship and esteem we hold for him. However, today belongs to our new Clerk. I want to

welcome Claude DesRosiers to Queen's Park. He has big shoes to fill, and I want him to know that we wish him well.

Mr. DesRosiers is well fitted for this position. A former Clerk of the House of Commons, he has served two years as the principal clerk of the committees and private legislation directorate of the House of Commons. He has also served as principal clerk of the Commons journal branch and has been an adviser to the Commons committee that conducted widespread reforms to the House of Commons rules in 1985.

My colleague the member for Sudbury (Mr. Gordon) would think it remiss if I did not add that Mr. DesRosiers is a native of Sudbury.

The Clerk's traditional role in this Legislature is not one that often occupies public spotlights. That it has in recent days should be no reflection on the competence of either Rod Lewis or Claude DesRosiers. Both are men of proven abilities. This morning when I came into my office, I found the Orders and Notices as well as the agenda of business for the day on my desk—same time. Since 2 p.m., the affairs of the Legislature have run smoothly, all evidence that Mr. DesRosiers already has a good understanding of how things work here at the provincial level.

I can promise our new Clerk that this will be a lively session and that we will be busy in this Legislature, but I can also promise him the support and the best wishes of my caucus as he sets to work the efficient running of this Legislature.

M. Rae: Laissez-moi exprimer, de la part de notre parti, nos meilleurs vœux au nouveau greffier de la Chambre. Nous voulons assurer à M. DesRosiers qu'il a toute notre confiance.

C'est un événement important dans la vie de la province que d'avoir un fonctionnaire de notre Assemblée qui a vécu dans la province de Québec, qui vient de la ville de Sudbury et qui exprime dans sa vie, le meilleur de la vie du Canada, le meilleur de la vie de notre province.

Sa position en est une sans aucune controverse, comme nous l'avons tous constaté au cours des semaines passées. Nous exprimons à M. DesRosiers notre amitié et notre volonté de travailler avec lui. Nous espérons surtout que sa

famille se sentira chez elle à Toronto, qu'elle se sentira chez elle dans notre province.

How historic an occasion it is. Mr. DesRosiers's appointment was an eminently democratic one. It came from a very tough and open competition, which he won. It was agreed to by all three parties that we would proceed in this way. It has been an exemplary process, and we all wish Mr. DesRosiers well in his position, which, as we know from recent experience, is one of absolutely no controversy and no visibility.

We welcome him into the House. We welcome him as a servant of the people. We wish him well. As I said in French, we hope his family finds itself at home in Toronto, as it would anywhere else in Canada. We wish the DesRosiers family well in its move to Toronto, and we look forward to working very closely with him in his new job, about which we all are very excited.

Mr. Speaker: I want to join with all the members in welcoming the Clerk, Claude DesRosiers, to the Legislative Assembly. I, as do all members, look forward to working with him.

INTRODUCTION OF MEMBER FOR COCHRANE NORTH

Mr. Speaker informed the House that the Clerk had received from the chief election officer, and laid upon the table, a certificate of a by-election in the electoral district of Cochrane North.

Electoral district of Cochrane North—René Fontaine; Province of Ontario.

This is to certify that in view of a writ of election dated June 26, 1986, issued by the Honourable the Lieutenant Governor of the province of Ontario and addressed to Paul E. Piché, Esq., returning officer for the electoral district of Cochrane North, for the election of a member to represent the said electoral district of Cochrane North in the Legislative Assembly of this province, in the room of René Fontaine, Esq., who, since his election as representative of the said electoral district of Cochrane North, has resigned his seat, René Fontaine, Esq., has been returned as duly elected as appears by the return of the said writ of election, dated August 27, 1986, which is now lodged of record in my office.

(Signed) Warren R. Bailie, chief election officer; Toronto, August 27, 1986.

Hon. Mr. Peterson: I have the honour to present to you and to the House René Fontaine, who was successful in the electoral district of

Cochrane North, who has taken the oath and signed the roll and now wishes to take his seat.

Mr. Speaker: Let the honourable member take his seat.

René Fontaine, Esq., member-elect for the electoral district of Cochrane North, having taken the oath and subscribed the roll, took his seat.

SIMULTANEOUS INTERPRETATION

Mr. Speaker: On your desks today is a listening device. This equipment will allow you to hear our new simultaneous interpretation service, which will provide translation in both English and French. The same service will also be available in the Amethyst Room.

LEGISLATIVE PAGES

Mr. Speaker: I have one more duty to perform. I would like to ask all members to join me in welcoming the first group of legislative pages to serve in the fall sitting of the Second Session of the 33rd Parliament, 1986.

Matthew Bourne, Simcoe East; Jonathan Budworth, Halton-Burlington; Simon Cadotte, Haldimand-Norfolk; James Cudmore, Armourdale; David de Jong, York Mills; Marie Demers, St. Catharines; Kent Emerson, Erie; Benjamin Fidelak, Timiskaming; Stefanie Fiorini, Victoria-Haliburton; Kimberley-Anne Foster, Algoma; Jay Friedman, York East; Rachel Hendrie, Eglinton; Kirsten Keil, Huron-Bruce; Mark Lieberman, Hamilton West; Mark Passalant, Lincoln; Chantal Prévost, Sudbury East; Mara Shiry, Kitchener-Wilmot; Joel Siebenga, Durham East; Anita Soni, York South; Patricia Vanderlaan, Lanark; Barbara Warner, Scarborough North; Patricia Wilhelm, Perth.

DEMONSTRATION

Mr. McClellan: With your indulgence, Mr. Speaker, I have two points of privilege. I am sorry to have to relay to you that before the opening of the session there was a group from the Ad Hoc Committee for Wei Fu demonstrating in front of the assembly. They were performing a skit that involved costumes. When they concluded their skit, two members of our security staff approached the members of the group, ordered them to hand over one of the costumes, which apparently was a security guard's uniform, attempted to grab the uniform from them and accused them of being in possession of stolen property.

This unfortunate episode took place before a number of representatives of the Chinese media

of Toronto. I ask the minister to investigate this unfortunate incident and report back to the House. I would hope an apology would be forthcoming from this assembly to the members of the Ad Hoc Committee for Wei Fu's Complaint.

RETIREMENT OF CLERK

Mr. McClellan: My second point of privilege has to do with the Globe and Mail story that appeared on Saturday, October 11, 1986, in the national edition, which reads as follows:

"Earlier this week the Liberal government approved a retirement settlement in which Mr. McClellan will receive \$60,000 in pension benefits, an annual stipend of \$31,500, a lump sum payment of \$118,000, use of a private secretary, an office at Queen's Park and the use of a driver and limousine."

This is inaccurate.

Mr. Speaker: All members will be glad you have corrected that point in the second part of your so-called point of privilege.

I am unaware of the particulars of what took place in the first item referred to, but I will be happy to agree with the member to look into it and report to the Legislature as soon as possible.

14:17

MEMBERS' STATEMENTS

ENVIRONMENTAL ASSESSMENT

Ms. Fish: The Minister of the Environment (Mr. Bradley) has asked for an opinion on whether to hold an environmental assessment hearing into a proposed deer hunt on a crown game reserve near Peterborough. What a cynical, manipulative use of an important public policy tool.

While the minister pretends to be the protector of Bambi and all that is sweet and light by suggesting an environmental assessment for a deer hunt, he has denied that same important hearing process to several significant projects involving deadly chemicals, many of which may be hazardous to human health.

In fact, the minister has refused an environmental assessment hearing for 37 projects since he took office a year ago. He has failed to keep his leader's promise to bring private projects into the ambit of environmental assessment. He is a man who feels it is now all right to have dioxin, the most deadly chemical we know, contaminate our food chain. He is more interested in Bambi than in possible birth defects to children.

CHILDREN'S AID SOCIETY LABOUR DISPUTE

Mr. R. F. Johnston: It is a shame that on the first day of the fall session I have to rise about another children's aid strike, this one in the Children's Aid Society of Ottawa-Carleton.

The Liberal government is following a proud Tory tradition of passing through transfers that require the local children's aid societies to go to strikes with their workers because they do not have enough money to handle the increased demands we ask of them through the new legislation we have put forward.

The Minister of Community and Social Services (Mr. Sweeney) says he is not at the bargaining table. He is at the bargaining table; he is there with his four per cent pass-through, which guarantees us a strike situation. He is at the bargaining table when it fails.

He cannot claim local autonomy, because he took over the Family and Children's Services of the District of Kenora when he did not like what it was doing. He is at the table now as clearly as anybody else. He is putting the whole mandate of local boards in question. It is now a matter of whether they should even continue to exist, because, as the workers said to him today, he is the boss and it is his responsibility.

The minister said he cared. It is the workers who do the caring, and they cannot afford to do so with the money the ministry is allocating. The lack of funding from the Treasurer (Mr. Nixon) is causing them the terrible trouble they have at the moment. If the minister really cared, he would get more bucks from the Treasurer.

HOSPITAL FUNDING

Mr. Reycraft: I want to draw the Legislature's attention to the expansion to Strathroy Middlesex General Hospital just approved by my colleague the Minister of Health (Mr. Elston). The minister has given the hospital board in Strathroy the green light to implement the planning process that will lead to a \$1.5-million addition to the hospital. This addition will allow the hospital to expand its outpatient and ambulatory care programs and thus significantly enhance its ability to serve the health needs of the people of Middlesex county.

Strathroy Middlesex has served the county very well since it first opened its doors in 1914. It was originally built as a 20-bed facility and then was replaced—

Mr. Speaker: The member's time has expired.

Mr. Reycraft: Mr. Speaker, I believe there may have been an error in the timing.

TRADE MISSION

Mr. Baetz: I want to congratulate the Premier (Mr. Peterson) for the remarkable sensitivity to oriental cultural languages with which he dazzled three nations in the Far East, as well as confused and entertained Ontarians of Chinese, Japanese and Korean origin. When the member for London Centre was Leader of the Opposition, all of us recall the very special Christmas greetings he sent to the people of Ontario. He was so eager to spread Christmas cheer that he included in Chinese a statement that wished season's greetings from Jim Coutts.

No one thought the honourable member could top that, but the member for London Centre is full of surprises. As we all know, last month the Premier went to the Far East with a booklet promoting Ontario as a place for investment. On the title page, script appeared in Japanese, and that was okay. There was no problem with Chinese, as there was no mention of Christmas greetings from Jim Coutts. However, the Korean script was upside down.

I hope that our inscrutable shogun from London, Ontario, is learning his lessons well. If he wishes to attract new business, he must show more respect for unique customs and language. The members on this side of the House look forward to his next trip abroad, but hope he will not again turn things upside down as he tries to promote this great multicultural province.

LAKESHORE AREA MULTISERVICES PROJECT

Mrs. Grier: Today in my riding, the Lakeshore area multiservices project is celebrating 10 years of existence. LAMP is a community health centre and a co-ordinator of the delivery of health and social services to southern Etobicoke. It is funded by the Ministry of Health and the Ministry of Community and Social Services.

Two years ago, it became apparent that our community needed the services of specialists in occupational health and safety. LAMP found a doctor and hired a co-ordinator from its existing budget. In March 1985, application was made to the Ministry of Health for program funding for this occupational health clinic. The district health council rated the application as number one on the list for funding. That was in July 1985. A year later in this House, I drew the minister's attention to the lack of any decision on funding and was told that negotiations were going on between the

Ministry of Labour and the Ministry of Health. I am still waiting for an answer.

LA TRADUCTION SIMULTANÉE

M. Poirier: A titre de président de la section de l'Ontario de l'Association internationale des parlementaires de langue française, j'ai l'honneur de vous dire tout le plaisir et la fierté que nous avons, aujourd'hui, à siéger à l'Assemblée législative de l'Ontario.

En effet, nous bénéficions, pour la première fois, d'un système de traduction simultanée à la portée autant des députés que de la population ontarienne. Enfin, nos collègues pourront pleinement comprendre chacune des interventions dans l'une ou l'autre des deux langues officielles de notre pays.

C'est une grande journée. Un autre grand pas vient d'être franchi pour la survie et la promotion du français comme langue de travail en Ontario. En mon nom personnel, au nom de tous les députés membres de l'AIPLF-Ontario et au nom de tous les Franco-Ontariens et Franco-Ontariennes, je tiens à remercier tous ceux et celles qui ont appuyé massivement ce projet des plus valables.

We are all very proud that starting today the debates in this Legislative Assembly are fully accessible to all members in the official language of their choice. As a bilingual member whose mother tongue is French, I wish to convey my appreciation to all those who strongly supported this needed addition to make debates better.

De plus, je tiens à souhaiter la plus cordiale bienvenue au nouveau greffier bilingue de l'Assemblée. J'apprécie qu'il ait démontré un tel intérêt envers nos travaux et notre Assemblée, qu'il postula et fut choisi pour y travailler.

I am sure that all members of the assembly are proud of the fact that they will now have a choice and can understand all interventions.

Mr. Speaker: We seem to be having a little trouble with our timing device. Can you inform me if there is more time available?

INTERNATIONAL PLOWING MATCH

Mr. Pollock: Mr. Speaker, as you and all members of the House are aware, the 1986 International Plowing Match and Farm Machinery Show is history. By all reports and comments it was a success. I would like to take the opportunity to thank all members of this House who attended on opening day and took part in the parade, the opening ceremonies and the ploughing match competitions.

The efforts of members on September 16 set the stage for a successful match. I am pleased that the Honourable Lincoln Alexander was present to open the match officially. We would be considered poor losers if we did not take this opportunity to congratulate the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) on winning the silver tray.

APPOINTMENT OF REEVE

Mr. Laughren: I would like to raise a matter that is bothering me a great deal and bothering the people in Chapleau a lot. It has to do with the decision of the Minister of Municipal Affairs (Mr. Grandmaître) to ignore a unanimous resolution of the town council of Chapleau to have an election to elect a reeve because the previous reeve had moved away from the community. The Minister of Municipal Affairs has taken it upon himself to appoint a reeve, overriding the wishes of the unanimous vote of the council of Chapleau.

I think it is fundamentally wrong for the minister to appoint a reeve when under the Municipal Act it is clearly within the mandate of that community to have an election for reeve.

Mr. Speaker: The member's time has expired. I hope this matter of our timer will be corrected for the next day when we will have members' statements.

14:27

STATEMENTS BY THE MINISTRY AND RESPONSES

RENOVATION OF LEGISLATURE

Hon. Mr. Nixon: I would like to welcome all members back to the House and point out a few of the changes that have taken place in the chamber. As we can see, the lighting in the House has been enhanced to the point where we will all be well tanned by Christmas.

Electronically controlled television cameras have been installed in the chamber. I think that most members will agree that the workmanship has been excellent. We will have more direct control over the quality of the programming. The sound system in the galleries has been replaced and the balconies have been extended to accommodate the electronic Hansard operators.

A historic event has already been pointed out by a member during members' statements. As recommended by the standing committee on the Legislative Assembly, facilities are now in place so that members and visitors in the galleries may listen to the proceedings in either of Canada's official languages.

These alterations have been undertaken in the spirit of openness to make the affairs of the Legislature more accessible to the people of Ontario. Further changes, including the additional seating required by redistribution and the improvement of the sound system, will be pursued at an early opportunity.

Mr. McClellan: I want to respond briefly to the remarks of the government House leader with respect to the changes in the assembly. As with all good things that have happened since March 1985, the electronic Hansard and the simultaneous translation service have flowed from the accord, which was dictated by the New Democratic Party to the Liberal minority government.

Hon. Mr. Peterson: Was the IDEA Corp. in the accord?

Mr. McClellan: No. The IDEA Corp. was something that was slavishly copied from the Conservatives.

In particular, I want to thank the standing committee on the Legislative Assembly, under the chairmanship of the member for Oshawa (Mr. Breaugh), for very good and diligent work in preparing background reports on both electronic Hansard and simultaneous translation services. We are able to say that in Ontario, even if it is 119 years after Confederation, francophone members of this assembly and the francophone community in Ontario now have the right to express themselves and be heard in one of our two official languages, and that is a great accomplishment.

I gather that the renovations to the sound system have had the effect of rendering our remarks unintelligible and inaudible to the members of the press gallery.

An hon. member: Another improvement.

Mr. McClellan: It is another major improvement. I gather that engineers are busy trying to turn the sound back on for the members of the press even as I speak.

Finally, I continue to be amazed at the way we do business in this assembly. We tore the entire chamber apart and still failed to complete the project. I gather at our next interval we will have the opportunity to tear the assembly apart again to replace the sound system and add a fourth tier. Maybe one of these times we will get it right.

IDEA CORP.

Hon. Mr. O'Neil: I would like to report to the House on the management and winding down of the Innovation Development for Employment Advancement Corp. As members know, it came

under the jurisdiction of the Ontario Development Corp. on June 30, 1986.

IDEA was established on October 30, 1981, by the previous government as a centrepiece of the Board of Industrial Leadership and Development initiative. IDEA was a schedule 2 agency with a completely autonomous board of directors. That autonomy was maintained by this administration, a fact confirmed by its chairman, H. Ian Macdonald.

Soon after its inception, the IDEA Corp. ran into a number of serious problems. Members will be familiar with many of them: conflict with the private sector venture capital community; investments in inappropriate large-scale syndications; and questions about the location, style and accountability of the corporation. These problems were discussed in the press of the day. The then Minister of Industry and Trade openly questioned the cost-effectiveness of IDEA.

The current government was committed to making changes at IDEA. The special adviser to the Premier (Mr. Peterson) conducted an extensive review of the role and mandate of the IDEA Corp. This review did not assess or intervene with specific investments.

After detailed analysis, a decision was made to wind down the corporation. This was announced by the Treasurer (Mr. Nixon) and the Minister of Industry, Trade and Technology on February 19, 1986, with the full termination date scheduled on June 30, when the Ontario Development Corp. assumed direct responsibility for the assets.

The IDEA wind-down presented a complex and difficult task. Through the process, we stuck to these key principles:

The corporation continued to deal in good faith with projects under way prior to the wind-down announcement. No new projects were accepted.

The board of the corporation, largely as appointed by the previous government, continued to act autonomously to accept full responsibility for investment decisions.

The government sought to prepare the way for smooth and effective management of the remaining IDEA assets.

In my view, the IDEA Corp. was an unfortunate experience for the people of Ontario. The resources it expended were theirs and the costs it incurred came from their pockets. Effectively managing what is left and efficiently disposing of existing assets have been the government's strategy since assuming direct responsibility on June 30, 1986.

When the Ontario Development Corp. took over the assets, it removed most of the IDEA

directors from the invested companies and replaced them. It began to supervise invested companies much more closely and began to develop a strategy for dealing with the remaining assets and investments.

For example, IDEA's largest single investment was in a syndicate that displayed insufficient progress in making investments and incurred the displeasure of many of its unit holders.

A group of investors, including and coordinated by ODC, obtained major changes to both the management and financing of the syndicate. These changes produced an amended syndication, which should be able to generate positive returns at no further cost to the Treasury and free up \$6 million in public funds.

ODC has also facilitated the discussions of Wyda Systems by the standing committee on public accounts. The corporation managed a team of consultants who audited the company and, through its counsel, has assisted the committee in all requests made of it.

Questions have been raised about IDEA's investment in a company called Graham Software. The first IDEA investment in this company was made on September 18, 1985, and rose to \$5 million in March 1986. The company is currently winding up its affairs and ODC does not expect much, if any, recovery from the investment.

To address these and other concerns regarding IDEA investments, I have asked Jack Biddell to initiate a thorough and complete review of the entire IDEA portfolio. As many members are aware, Mr. Biddell is the past chairman of the Ontario Inflation Restraint Board and a retired partner with the accounting firm of Clarkson Gordon.

Mr. Biddell's review will: (1) identify any current or past problems in the IDEA portfolio as it was turned over to the ODC on June 30, 1986; (2) provide a full review of all existing investments to determine whether there is sufficient chance of future benefit to warrant continued support; (3) identify current investments requiring additional financial and other support; and (4) assist in the development of a strategy for the disposition of the remaining IDEA assets.

I have indicated to Mr. Biddell that his report should be completed as quickly as possible. The report will be made public, excepting commercially confidential information that will impair the performance of specific firms. Mr. Biddell will be provided with appropriate funding to engage outside consultants, counsel and auditors as required.

Mr. Gillies: With regard to the statement made this afternoon by the Minister of Industry, Trade and Technology, I want to say that so far this session the minister gets the understatement of the year award for saying the IDEA Corp. was an unfortunate experience for the people of Ontario. The minister's and his officials' mismanagement of the IDEA Corp. will prove to be a major embarrassment for this government before this session is over.

The impetus for this so-called inquiry, which will be undertaken by the government, came from interventions by the opposition parties and from nowhere else. When I first raised these issues on June 10, the Premier, as is always his wont, stood in the House and assured all and sundry that everything was just fine; there was nothing there.

Mr. Grossman: Squeaky clean.

Mr. Gillies: I believe the term used by the Premier was "squeaky clean." On June 10, I raised in this House two of the largest investments made by IDEA Corp. since this government took office: the \$5 million in Graham Software and the \$3.5 million in Wyda Systems. As we have come to see, there was something wrong in each of those cases. The \$5 million lent to Graham Software, apparently with insufficient research and shepherding undertaken by the ministry, now will be lost to the people of Ontario. The \$3.5 million that was given to Wyda Systems now is in question.

During the standing committee on public accounts discussions on the Caplan inquiry this summer, it became clear that the money put out by IDEA by way of investments was intended to be for new research and development in high-technology industry. It has become apparent that the \$3.5 million given to Wyda was in fact used to retire old debt and not to facilitate new research and development. Now we see Graham Software's \$5 million going down the tube, and we have to wonder what will become of the other \$20 million given out by the government through this fund.

I remind the minister that it is all very well to note that IDEA has been in place since October 30, 1981, but 60 per cent of that money has been expended since this government took office. It is all very well for the minister to say no new projects were entertained since the new government took office, but I remind the minister, as also came out in the course of the Caplan affair, that as a result of interventions which may or may not have been political, we saw the proposed

investment in Wyda go from \$1 million to \$3.5 million.

This is also a red-letter day—no pun intended to the government—in that this is the day the government informed us by way of Orders and Notices that it would be tabling all the computer contracts let by this government since it took office. As I always believe, in good faith, what the government and the Premier tell me, I assume that at the end of question period we will see tabled all the computer contracts of this government, and I thank the government House leader for having them with him.

The proposed inquiry by Mr. Biddell leaves us a little cold. It appears to be an attempt to recoup political losses as opposed to recouping the money. It is all very well to cut political losses, but where are the millions of dollars being lost to the taxpayers of this province because of the government's ineptitude in handling it?

• Perhaps the good news is not contained in the minister's statement. The good news, owing to the initiative of this party—and I understand at this point it is supported by the New Democratic Party—is that the opposition parties will be forcing this whole matter into the standing committee on public accounts. I assure the minister we will have a full and unvarnished examination of his horrendous mishandling of this fund.

Mr. Philip: I would like to respond to the statement of the Minister of Industry, Trade and Technology regarding the Innovation Development for Employment Advancement Corp. We have here a defensive mechanism by the government that has clearly mismanaged the IDEA Corp. It is interesting that the minister has decided to spend money to investigate what the standing committee on public accounts has undertaken to investigate in any case.

It is also interesting that the minister did not mention that the major investment of the IDEA Corp. was made after this government had made a policy decision to phase out and do away with the IDEA Corp. Nor did the minister tell the House about the major funds that were invested, not in new research but to pay off old debts. That is what the public accounts committee will investigate; and the minister made no mention of that in his statement.

The Blake, Cassels and Graydon study, which was paid for by the public purse at the initiation of this government to cover its tracks once again on its own mismanagement, clearly showed that the public accounts committee is much better able to do the kind of research and turn out a

comprehensive report than the so-called independent people who are hired by this government. This is clearly a political move by the government to cover its coattails, which are clearly marked with mismanagement of this and other corporations.

TRADE MISSION

Hon. Mr. Peterson: I would like to take this opportunity to report to the members of the House on our province's trade, investment and joint venture mission—

Mr. Speaker: Order. I have been informed by one member that copies have not been received. Is that correct?

Interjections.

Mr. Speaker: Are copies available? I understand that copies are on their way.

Hon. Mr. Peterson: It is worth waiting for.

If I may start again, I would like to take this opportunity to report to the members of the House on our province's trade, investment and joint venture mission to Japan, Korea and the People's Republic of China.

Certainly, all in this House are aware of the importance of the Asia Pacific region, the fastest-growing market in the world.

C'est dans cette région du globe que les mutations économiques les plus importantes auront lieu au cours des prochaines années. Il semble déjà acquis qu'une province comme la nôtre, dont la prospérité est liée au commerce international, doive participer au changement.

Since the dawn of this decade, the value of world trade crossing the Pacific has outpaced the value of trade crossing the Atlantic. In 1985, the Asia Pacific nations imported more than \$497 billion worth of goods. Ontario enjoyed only a 0.3 per cent share of the market.

We have tremendous opportunities for growth. We must invest the efforts necessary to seize them. This is a long-term goal that requires a long-term commitment. Our trade mission was but a beginning—a solid beginning. It has already demonstrated potential for increased trade, investment, jobs and technology transfer in both directions.

The government would like to express its appreciation to all who helped take this initial step, particularly the 46 business and labour leaders who demonstrated their recognition of the long-term benefits the mission can yield for the people of Ontario.

I would also like to thank my colleagues from both opposition parties who joined in the delegation. On a personal note, I am only sorry

my friend the member for Muskoka (Mr. F. S. Miller) could not join us. He was involved in this from the inception, and I am hoping he will have an opportunity to visit the Orient, representing the government, particularly in Jiangsu province, where he is known and respected.

The calibre of the delegation and the depth of commitment displayed were largely responsible for the positive response we received from our hosts. The high regard in which our province is held is reflected in the fact that, for the first time, an Ontario delegation was accorded official status in all three countries.

Le niveau officiel des discussions aura donc permis à l'Ontario un échange de vues des plus profitables, sans lequel les négociations commerciales seraient quelquefois difficiles, sinon impossibles.

I found tremendous reason for encouragement about Ontario's trade and investment prospects, especially in extensive meetings with the heads of government of the three countries and meetings with senior cabinet ministers.

The positive atmosphere of those talks was echoed in our meetings with the senior members of the Keidanren, Japan's high-level business federation; the Kanao mission, which is investigating trade and investment opportunities in Canada; China International Trust and Investment Corp.; the Federation of Korean Industries; and top executives of a variety of companies, including Toyota, Suzuki, Honda, Mitsubishi and many others.

The degree of interest in economic ties with Ontario was also demonstrated by the success of the September 30 seminar on trade and investment in Ontario, organized by my colleague the Minister of Industry, Trade and Technology (Mr. O'Neil). Close to 400 leading Japanese business executives took part.

I was especially glad to have the opportunity to introduce our new agent general in Tokyo, Tim Armstrong, known to all members of the House; and Ray McCague, known to some members of the House, who will serve as senior representative in MITT's new office in Seoul, Korea.

In China, we finalized the official twinning of Ontario and Jiangsu province and paid Ontario's first official visit to the Jiangsu-Ontario Technology Centre.

While these efforts are directed towards long-term development, I am pleased to be able to report some immediate results as well.

In terms of trade and joint ventures with China, two fields in which we have seen particular signs of progress are those of oil

exploration and hydroelectric power. In Nanjing, I had the pleasure of announcing an agreement that will see Phoenix Geophysics Ltd. of Markham provide the technology to assist in the search for new oil supplies in China. Further, it was announced that Ontario Hydro will be participating in a \$5.5-million technical study of power potential and transmission in south China.

In Tokyo, we were delighted with the signing of joint venture agreements between Tridon International and Nichirin Rubber and between Magna International and Fuji Tool and Die, agreements that will involve combined capital investments of \$9 million and the creation of 300 jobs.

We were also extremely pleased to announce a joint project by TRW Canada Ltd. and Tokai Rika Co. Ltd. to build a new auto plant in Ontario, a venture that is expected to create 128 new jobs by 1989. As well, Yazaki Sogyo announced it will build a plant in Barrie to produce speedometers.

Given the vital role the auto industry plays in Ontario's economy, among the most important aspects of the mission were the meetings with the presidents of Toyota Motor Corp. and Honda Motors and officials of Nissan Motor Co. With Toyota, we finalized an agreement that will see the company spend up to \$120 million a year on Canadian-made parts for its new Cambridge plant by the mid-1990s. Perhaps of even greater long-term significance was Toyota's commitment to meet auto pact status of 60 per cent Canadian content as quickly as feasible. I also raised this matter with the president of Honda Motors and hope to be able to report similar progress in the coming months.

I have every reason to expect that Ontario will soon see further benefits from this co-operative effort between government and private sector.

Plus que jamais, le temps, la patience sont des vertus nécessaires à la réussite d'une telle entreprise. Mais la qualité de vie autant que la meilleure compréhension des peuples en valent la peine.

However, as we have said on several occasions, the results of this trade, investment and joint venture mission cannot be measured in one month or one quarter. I believe all Ontarians can take pride in what we have together sown in the past few days. I am very confident, no matter which way one looks at it, right side up or upside down, we will be able to take great joy from the benefits that will come to this province in the years to come.

Mr. Brandt: I have a very brief response to the Premier with respect to the trade mission to the Far East. First, I would like to congratulate the Premier for commenting on the involvement of my colleague the member for Muskoka, who initiated many of the contacts in the Far East with respect to China and, going back even further, to Japan and other countries there that now are doing a considerable amount of trade with Ontario. That kind of recognition is certainly accepted by members on this side of the House, and I am sure by members on all sides of the House, as being a very positive contribution towards the increase in trade we are now realizing with those countries.

In addition, I want to comment on the tremendous assistance that was given to the entire delegation by the Canadian embassy. I am sure this was an oversight in the Premier's address. It was very important.

Mr. Speaker: Order. The member's time has expired.

CONFLICT OF INTEREST

Mr. Pope: Mr. Speaker, on a point of privilege: My point arises from the Premier's campaign of disinformation with respect to conflict of interest.

On July 2, 1986, in Hansard at page 2045, the Premier (Mr. Peterson) said as follows: "I wish to make it clear at the outset that I have the utmost confidence in the ministers of my government. I appreciate their efforts to adhere to the guidelines that have been in place since 1972, but at the same time I must acknowledge that the rules and the system we thought worked well in the past may not be good enough today."

The Premier, in the statement of July 2, 1986, makes reference often to the 1972 guidelines and talks about ministers adhering to the 1972 guidelines, but nowhere in that statement does the Premier come clean and tell the people that he secretly weakened the guidelines in 1985 and issued a new set in September 1985.

Interjections.

Mr. Speaker: Order. I believe the member rose on a point of privilege. I cannot see where that is a point of privilege; it is certainly a point of information that he wanted to place before the House. I cannot accept it as a point of privilege.

14:52

ORAL QUESTIONS

Mr. Grossman: I would like to welcome all members back to the assembly; those who come from the Far East and those who come from the

far north. It is a shame we had to spend \$200,000 to get one of them back, but we are delighted to have them all here.

I should like to join the rest of the members of the House in welcoming the new Clerk.

JOBS IN AUTOMOTIVE INDUSTRY

Mr. Grossman: I have a question for the Minister of Industry, Trade and Technology. While the minister was overseas in the Far East trying to lure more investment to Ontario, something very distressing was happening. General Motors in Oshawa, which is in the midst of a major expansion, was not hiring all its people from Ontario or even Canada. No, it was advertising overseas; it was advertising in the London, England, Daily Mirror for tool and die makers for the GM plant in Oshawa. They were offering excellent wage and benefit packages and relocation assistance as well. Is the minister aware of this, and what is his opinion with regard to it?

Hon. Mr. O'Neil: No, I am not aware of the particular advertisement the member mentions. I would be very pleased to have a copy of it and to look into it. Perhaps if the previous government had done a better job in the education field we would not be faced with this problem.

Mr. Grossman: The minister may indeed be right, but he has also had 16 or 17 months, together with his colleagues, the Futures program, the high-technology fund and Lord knows all sorts of announcements, to start to deal with this problem. The minister rises today to tell us that he does not even know about it.

Specifically, given the fact that American Motors (Canada) went out of its way to offer jobs to people in northern Ontario who are not participating in the economic recovery, will he today give an assurance to the House that he will call General Motors, tell it that these advertisements are inappropriate and that it must hire all of its people in Canada?

Hon. Mr. O'Neil: I would be very pleased to receive a copy of that particular ad, as I mentioned. As a free enterpriser myself, I am not in the habit of telling companies what they must or must not do. The Leader of the Opposition should also be aware that the company he is running down has just spent more than \$2 billion on an investment in Oshawa, providing many jobs for the future for the people of this province.

Mr. Speaker: Order. Final supplementary.

Mr. Grossman: If the minister does not intend to call up General Motors of Canada and

tell them that they should be hiring in Canada, and only in Canada, then he will have to answer for that.

I want to draw something to his attention. The president of General Motors of Canada is George Peapples. George Peapples is one of the members of the Premier's Council, appointed by the Premier (Mr. Peterson), to help give out money for high-tech reconstruction in Ontario.

My question to the minister is a simple one. Will he call up Mr. Peapples, a member of the Premier's own committee set up to attract jobs and investment to Ontario, and ask him whether he would mind hiring in Ontario or resigning from the Premier's Council, which is supposed to create jobs for Ontarians?

Hon. Mr. O'Neil: Mr. Peapples has made a great contribution to the Premier's Council and will continue to do so. As I mentioned, if the previous government had done a better job of training people, we would not have the problems that we do now.

RETIREMENT OF CLERK

Mr. Grossman: I have a question for the Premier. Apparently, on the Premier's return this morning, he did what we are getting used to him doing; that is, quickly running away from those issues which his advisers tell him may begin to cling on to him.

In this regard, I would like to raise the question of Rodney Lewis. From reports over the weekend, it appears that the Premier called Mr. Lewis in and had a chat with him, shall we say, about his retirement—a chat that Douglas Fisher would report, attributing this to the Minister of Education (Mr. Conway)—that would indicate the Premier's intentions were to make sure Mr. Lewis was gone tomorrow if he formed the government. Could the Premier perhaps take a moment or two and describe to the House the meeting he had in his office with Mr. Lewis?

Hon. Mr. Peterson: It was a nice meeting. I am sorry the member was not there; he would have enjoyed it. Mr. Lewis came into my office, and we discussed the House and recognized that he had served here for many years. I said, "Hello, Mr. Lewis," whose name, as the member knows, is not Rodney; it is Roderick. We had a very nice chat. I said that, in my opinion, it was time for changes in the House and it was our judgement, if there was a consensus among the members of the House, that after having served for many years and now being 75 years old, it was time for him to retire. He took my advice on that particular matter.

Interjections.

Mr. Speaker: Order.

Mr. Grossman: I should correct the record, Mr. Speaker. If the Premier was reporting a consensus of this House that it is worth \$2 million to the taxpayers of Ontario to get a new Clerk, he was not speaking for the Progressive Conservative Party of Ontario.

After this meeting in the Premier's office—what the Premier said and what actually happened we will find out later when Mr. Lewis appears before a committee—did the Premier, the Treasurer (Mr. Nixon), the then Chairman of Management Board or the Minister of Colleges and Universities (Mr. Sorbara) get a legal opinion from any source indicating what Mr. Lewis's entitlement in law was in terms of severance pay?

Hon. Mr. Peterson: First, the Leader of the Opposition is quite correct. I never propose to speak for the Progressive Conservative Party. No one has any idea what the Progressive Conservative Party thinks about anything. The Leader of the Opposition does not even speak for the Progressive Conservative Party, and that is one of the problems at present. I gather the Leader of the Opposition's view was that Mr. Lewis should continue on for ever, for another 30 or 40 years, but it was our view that we should make the appropriate arrangements for him to leave.

The answer is that the Attorney General (Mr. Scott) has given a legal opinion on this matter.

15:00

Mr. Grossman: If the Premier is not clear what the Progressive Conservative Party stands for on some other issues, let him be clear about this one. We believe the taxpayers of this province would be better off having Mr. Lewis continue as Clerk of the Legislature than paying him \$2 million because of the Premier's sloppy and inept handling of his retirement.

Mr. Speaker: Supplementary.

Mr. Grossman: If the Attorney General has rendered, as the Premier stated a moment ago, an opinion with regard to Mr. Lewis's entitlement in terms of severance pay, will the Premier be kind enough to table that legal opinion with us before the end of the day?

Hon. Mr. Peterson: I want the member to know very clearly where we stand. We do not believe in entitlement for life. In 1974, the Conservative government passed a law bringing in some kind of entitlement. We do not agree with that. We have a very different approach. We believe the Clerk should be a servant of the

House, not of a particular party, and we have changed things very substantially and we do not apologize for that.

With respect to the legal opinion, I recommend that the member ask the Attorney General what the opinion is. The Attorney General will be very happy to share it with the member.

Mr. Rae: I want to ask the Premier whether he can explain why the government in this day and age authorized the following payments, as I understand them, to Mr. Lewis: a so-called attendance gratuity of \$64,712; vacation pay of \$49,276; benefits of \$600; an annuity worth \$220,000; a gratuity of \$31,500 in addition to that; plus the use of a secretary, furniture and a chauffeur.

I wonder whether the Premier can explain why that quite extraordinary level of expenditure for one individual, who has served the House and is now 75 years old, was authorized. Can he give us his personal assurance that the supplementary estimates which will authorize this expenditure will be called by the government as soon as possible so the House will have an opportunity to express its view with respect to this incredible spending of public money?

Hon. Mr. Peterson: I will refer to the Treasurer to address specifically those questions the member raises.

Hon. Mr. Nixon: The honourable member has indicated a list of expenditures which can be reviewed by any committee, including those dealing with the estimates. I assure the members of the House that the moneys available and to be paid to the Clerk under the present agreement simply maintain his salary, which was established under the Legislative Assembly Act of 1974 by the previous administration. The associated orders in council gave him lifetime entitlement to that money. I also think it is too much money, but that is what he is entitled to.

Mr. Rae: The Treasurer did not answer my question with respect to the calling of the supplementary estimates.

Injured workers were demonstrating outside the House today with respect to their pensions and their economic condition. I wonder how the Treasurer feels about this incredible giveaway to one individual by the government of this province, which is speaking allegedly on behalf of the people of this province, at the same time as 2,000 of 313,000 workers in this province who have been laid off have in fact received severance pay? I wonder what kind of a statement he thinks the Liberal government is making to injured workers, to workers who have been laid off and

to other people who are facing difficult circumstances when it gives this kind of \$2-million payout to one individual? How does he think that reads with the population of Ontario? How does he think they feel about that kind of thing?

[Interruption]

Mr. Speaker: Order. I must inform all our visitors in the galleries that the standing orders state that individuals in the gallery must refrain from demonstration of any kind; otherwise, they will have to leave the gallery.

Hon. Mr. Nixon: The estimates of the assembly will be called in the usual order. This is established by agreement among the House leaders. I do not think there has ever been any question the honourable member can point to about any representative of the government standing in the way of the calling of estimates. That comes in the usual order, and the member will be free to say and do whatever he likes in that connection.

As to his more rhetorical question, I wish more money were available for injured workmen. I have already said I feel the money payable to the Clerk is too large, but it is that which is required under the law passed by the Legislature. If the former Clerk had been prepared to vacate his office and to submit his resignation for some amount of money less than that, we would have been very glad to have accommodated him, but he indicated he was not. I can assure the member I wanted to fulfil the requirements of the law. I also wanted to be sure that the office available to the new Clerk, who for the first time was picked by a committee of the Legislature independently of the government, was going to be freely available to him without any embarrassment and without any problems at all so that he could take up his new duties without any impediment whatsoever.

Mr. Rae: The government was faced with a difficult situation and it panicked, but it panicked in response to one individual, who I think one can say was well established. Would it were the case that it would respond in the same way when other individuals insist on their rights.

In that regard, I would like to ask the Treasurer why the government continues to refuse to provide indexing of pensions for those who are in receipt of private pensions? The Treasurer will know full well that Mr. Lewis's original pension entitlement was \$38,400, which was 42 per cent of his 1986-87 pay. It was enriched to provide a pension of \$60,000 plus the \$31,500 per annum. No other employees receive a pension equal to 100 per cent of their pre-retirement income. His

colleague the Minister of Consumer and Commercial Relations (Mr. Kwinter) has refused systematically to give that assurance. How does he feel about pensioners whose incomes have declined by 50 per cent since Mr. Lewis reached the age of 65?

Hon. Mr. Nixon: I do not like it at all. I can be frank about that. I must point out to the member that as far as we are concerned and as far as any person might be concerned who reads the statute, the former Clerk is entitled to a continuation of his job for as long as he lives or as long as he can perform the job. As far as we were concerned, we wanted to create a vacancy and we have done so. These matters are still under review.

Mr. Rae: It is the most extraordinary kind of mismanagement. No other employee in Ontario has received that kind of platinum handshake.

Mr. Speaker: Question.

Mr. Rae: It sends out a terrible message to the people of this province, one that will stick with the Liberal government for a long time to come.

Mr. Speaker: Order. Does the member have a new question?

Mr. Rae: It is a new definition of pay equity.

RESIDENTIAL RENT REGULATION LEGISLATION

Mr. Rae: My next question for the Premier has to do with rent review and Bill 51. The Minister of Housing (Mr. Curling) has made what I think most of us would consider to be an extraordinary statement, that unless everything goes the government's way in committee it is going to pull the bill. Is the Premier prepared to accept the will of the Legislature with respect to amendments to Bill 51 that will make good on the agreement he signed in May and June 1985, and will ensure fair rent control for all the tenants in this province?

Hon. Mr. Peterson: The answer to the honourable leader is the following: that bill is unique in the history of this province. We lived in a very polarized system where landlords were shouting at tenants and tenants were shouting at landlords. There was a lot of very simple wisdom being peddled around the province. There was polarization over the past 10 years. There was a sense of no meeting of the minds. The minister pulled together people from the tenants' movement as well as landlords, who developed a consensus that would protect tenants and at the same time, we believe, stimulate the building of new supply on the market.

15:10

I know there are extremists on both sides who do not believe that. I know there are certain people who have a certain political interest in taking the extreme point on almost everything. But this consensus is unique. As members know, the bill is fragile in the sense that a number of things are being weighed off one against another. There is no perfect solution to the problems we face, but most people admit we are facing a major problem in the province in that regard. This is seen by thoughtful, moderate observers to be a solution that protects both sides.

Let us not take the extreme view. Let us take the reasonable view. Let us not destroy the integrity of that bill and let us not put simple partisan gain in the short term against a program that is going to both protect tenants and supply affordable housing in the future. That is what we are trying to do. We have an obligation.

Mr. Rae: I do not think I heard an answer to my question. What the Premier seems to be saying is that a private arrangement cooked up behind Liberal closed doors between representatives appointed by them and for them is going to take precedence over a consensus of this Legislature. A more anti-democratic statement by the Premier I cannot imagine.

Can the Premier give us his assurance that a consensus of this House will prevail and that we will be able, democratically, to improve and strengthen a bill to which the government itself has introduced more than 100 amendments and whose improvement is seen by most tenants and most people who have been watching the bill as essential for their protection, the protection the Liberal Party ran on in the last election, signed in the accord and is now reneging on in Bill 51?

Hon. Mr. Peterson: We will support every move that improves the bill. The member's opinion of improving the bill may differ from mine. Sometimes in his insularity he takes a single-minded view of these situations.

We have achieved a balance in the situation. We are anxious to improve the bill in any way anybody has any ideas for, but the member must respect what is happening in that bill and the principles of that bill. As long as those principles are held intact, obviously we will accept the wisdom of this Legislature, but we must remember what that bill is trying to achieve.

Interjections.

Mr. Speaker: Order. I would remind all members that they are just wasting their own time.

Mr. Rae: May I take it from what the Premier has said that if this House approves an amendment which states quite clearly that there will be a four per cent rental guideline for all the tenants in this province, that will become the law in this province and the government will not withdraw the bill or kill the bill, as the Minister of Housing has said he would do?

Hon. Mr. Peterson: I am trying to persuade my honourable friend that he has to respect the integrity of that bill and stop taking such a simple-minded historical view of this situation. Let us not introduce the old polemics that have been hanging around for the last 10 years. Some very thoughtful spokesmen from the tenants' movement, who do not happen to be lackeys of ours and who happen to be respected spokesmen, think the principles contained in that bill are extremely worth while and moderate.

If the member wants to introduce the same old rhetoric of 10 years ago into this debate, then my honourable friend is moving us backward, not forward. Come into the 1980s. Start working on a bill that has been constructed by a lot of thoughtful people. If the member opposite can improve it, fine; but he has to respect that we are trying to achieve a number of purposes with that bill, and most thoughtful observers think it has been well done.

RETIREMENT OF CLERK

Mr. Eves: I have a question for the Premier. The Premier stated here earlier this afternoon that the job of the former Clerk, Mr. Lewis, was his for life, or was his until he could be removed when he no longer could do the job. Is the Premier leading us to believe that Mr. Lewis could no longer do the job as Clerk?

Hon. Mr. Peterson: I wish my honourable friend would not try to drag me into a discussion of personalities. We could have brought a resolution to have him removed and discussed the whole situation, but it was the view of the government and certain members opposite that it was time for a change in the House. The member may not take that view, but a number of others did. That is why we did what we did.

The member cannot understand that there are a great many changes going on in this House. Having French translation in the Legislature or changing the rules would never have happened under his party. The member can stand up and say anything he wants at the beginning of the legislative period. That is new to the House. He does not yet understand the change that has overtaken the Legislature: We have to be in the

forefront of that change, not lagging behind. It was our view—and again, I do not want to discuss personalities—that it was a change that was important to the modernization of the Legislature.

Mr. Eves: The question was whether or not the Premier and the government felt the former Clerk could have continued in his capacity as Clerk of the Legislature. He has not answered the question.

The Premier is telling us that the former Clerk was entitled to the money for the rest of his life. Is he telling us that the package the Liberal members of the Board of Internal Economy approved last week is what Mr. Lewis would have received for the rest of his life?

The Premier still has not answered whether or not Mr. Lewis could have continued in his capacity as Clerk.

Hon. Mr. Peterson: I answered the question very clearly. He served the Legislature for a long time. He served it well, but it was time for a change. We thought we had to move on. I am sure the member opposite has got it through his head that the people of Ontario wanted change.

INSURANCE RATES

Mr. Swart: My question is of the Minister of Financial Institutions. I am sure he is aware that the just-published Statistics Canada figures show that casualty and property insurers of Canada had net profits of \$292 million during the second quarter of 1986.

Given that that is two and a half times last year's figure and 12 per cent higher than ever before recorded for that quarter, will the minister admit, first, that the insurance companies are doing exceedingly well at the expense of the public of Ontario and, second, that the time has come to halt any further increases in auto and liability insurance rates?

Hon. Mr. Kwinter: I appreciate the member's comments, but he should know that talking about profit in isolation means nothing. He has to talk about return on investment. I am not trying to apologize for the insurance companies, but the member should know that in automobile insurance, from the latest figures available for 1985, for every dollar of premium that was taken in on automobile insurance, \$1.31 was paid out in claims.

Mr. Swart: I am not talking about profits in isolation; the \$292-million figure is after they paid all their taxes. Given his intransigence in even considering the efficient and low-cost public auto insurance systems in Manitoba,

Saskatchewan and British Columbia, and given the huge profits of the insurance companies, will the minister at least proclaim a new section 371 of the Insurance Act, which gives his ministry the power to hold or adjust rates that are excessive, discriminatory or unreasonable?

Hon. Mr. Kwinter: That provision has been on the books for more than 50 years; not one government has seen fit to implement it. Alberta has such a plan. If that plan were in effect in Ontario, during the past five years the people of Ontario would have paid from eight per cent to 39 per cent more than they pay now.

15:20

VISA REQUIREMENTS

Mr. Callahan: In the beautiful city of Brampton we have a large number of Portuguese residents who are excellent residents of the community. It has come to my attention that Ottawa apparently has taken certain steps to require visas for these people. I would like to address a question to the Minister of Citizenship and Culture. I would like to inquire whether such steps taken by the federal Minister of State for Immigration were taken with any consultation with this government.

Hon. Ms. Munro: On July 16, we communicated with the minister, making it very clear that we were distressed about the rather discriminatory acts being taken with this group of citizens and visitors. We told the minister that we felt families were experiencing a good deal of hardship, and we asked for his consideration and assurance not only that the refugee system would include consideration for the Portuguese community but also that legitimate visitors from Portugal would be treated in the correct fashion. I realize the visa system is in place, and the minister has taken our letter into account.

Mr. Callahan: I think it demonstrates what the official opposition thinks of the Portuguese people in my community when a member sends something such as this over.

It is a serious question for my community. I would like to know what the federal minister has done in terms of dealing with a retraction or change of these visa requirements.

Interjections.

Mr. Speaker: Order. I cannot hear a thing.

Hon. Ms. Munro: The federal minister appears to have done little to take into account the hardships being imposed on the Portuguese community and on visitors. We continue to impress on him the importance of treating

visitors in a very compassionate way. My colleague the Minister without Portfolio the member for Parkdale (Mr. Ruprecht) met with members from the Portuguese community on the weekend to say that he was also making representation.

We will continue to press the federal government to pay attention to this act of discrimination. In addition, we will also be working with the federal minister to make sure that the fast-track system for refugees in general is implemented on time in April 1987.

CONFLICT OF INTEREST

Mr. Gillies: My question is for the Premier. It appears that the concept of disclosure of all assets and properties is a very difficult one for the ministers to grasp. The transition lawyer, Mary Eberts, Blenus Wright, and the law firm of Blake, Cassels and Graydon, were all unable to get a number of the ministers to disclose their assets voluntarily. These things came to light only when John Black Aird did his investigation.

Can the Premier explain to this House whether the ministers are so inept that they did not realize they had to disclose these assets, or heaven forbid, were any of them deliberately trying to keep these things from coming to light?

Hon. Mr. Peterson: I am glad to see my honourable friend quoting John Black Aird after he said such nasty things about him the day before his report came out. Is he now relying on him for text?

This whole thing has to be put in context. As he knows, one of the problems with the guidelines was the lack of certainty. Mr. Wright applied the standards he had applied to previous governments. I will give an example. There were certain things that he did not think had to be declared. Blake, Cassels had a different view of what should be declared and what should not be declared, as did Mr. Aird. There were three different views of the same situation. That speaks to the fundamental problems of the lack of clarity in the guidelines.

Mr. Gillies: I suggest to the Premier that is simply not the case. He weakened the guidelines. Clearly, they were not being enforced as rigidly as they were under the old government and they still could not comply.

Does the Premier want us to assume that it was an honest mistake that the Minister of Natural Resources (Mr. Kerrio) failed to disclose that he had fishing properties, that it was an honest mistake that the Minister of Transportation and Communications (Mr. Fulton) failed to disclose

holdings in public companies and that it was just a series of honest mistakes that his Minister of Skills Development (Mr. Sorbara) failed to disclose interests in 28 partnerships and joint ventures?

Will the Premier please assure the House that these were honest mistakes, and will he further assure us that none of these interests in which his ministers participated have done business with the government of Ontario in the past 15 months?

Hon. Mr. Peterson: I refer the member to the Aird report, which he quoted at the beginning of his remarks. I am sure he has read that very carefully and has the benefit of Mr. Aird's opinion on that matter. I cannot take it any farther than that.

EXTRA BILLING

Mr. D. S. Cooke: I have a question for the Minister of Health. It deals with the latest tactic of the doctors to get around the ban on extra billing.

I would like to read to the minister two quotes from statements that have been sent by doctors to patients. One is from the Yorkview Medical Centre. It says, "If you are experiencing financial difficulty, please feel free to discuss this situation with our business manager." The other one is from Dr. James Paupst. One of the paragraphs says, "Except for those who have spoken to me and requested participation in this plan, the elderly, the clergy, pensioners and young adults will be excluded."

Is the minister prepared to put a stop to this nonsense of the doctors, which is simply a method to line their pockets with more money and to break Bill 94?

Hon. Mr. Elston: I would think it would be fair for the member to share the statements in their entirety with me. Like him, I have several problems with respect to the levies that have been issued for what are called uninsured services by some. I would be pleased to have those statements. I will check into them at length and reply to the member.

Mr. D. S. Cooke: Since he expressed such an interest in this matter back in July, and then met with the College of Physicians and Surgeons of Ontario and was quoted in the newspapers as saying later that "he expected the college would soon issue a pretty plain statement that there should be no charges deterring people from seeking doctors' care," is the minister aware that as of 1:50 this afternoon, the college of physicians and surgeons has sent nothing to the

doctors of this province stating what he promised they would in July? In fact, it has not even met.

Hon. Mr. Elston: From a formal standpoint, the honourable gentleman is right, although the message has been given through a number of areas that have expressed the concern not only of the college but also of this minister. Also, from talking to the president of the Ontario Medical Association and reviewing correspondence he has sent to the medical profession, I can say the association likewise has expressed concerns about the charges.

I have a copy of the president's letter dated October 7, which says: "Many members continue to charge patients directly and appropriately for uninsured services. However, the press is making us aware of a small number of members who are somewhat innovative in their definition of uninsured services and apparently exorbitant in their fees." He goes on to remind all members that the guidelines from the Ontario health insurance plan and the college of physicians and surgeons are readily available.

The member will know there is co-operation among the minister, the college and the association to deal with this situation. I look forward to receiving his examples so I can review them. I remain quite concerned about the activity he has reported to us.

FOREST MANAGEMENT AGREEMENT

Mr. Runciman: My question is to the Minister of Natural Resources. On January 28, I asked the minister whether he had had any discussions with the member for Cochrane North (Mr. Fontaine), who was then the Minister of Northern Development and Mines, with regard to the Hearst forest management agreement. He told this House he would take the question as notice and get back to us. Is he is prepared to answer that question now, nearly eight months later?

Hon. Mr. Kerrio: Of course I will respond to the question. I could have responded to it at the time, but I wanted to be absolutely sure of the record. There was not any discussion at any time with Mr. Fontaine about the FMA.

15:30

Mr. Runciman: That is rather mysterious in the light of a memo I have with me today to the minister's administrative assistant. The memo is dated December 18, 1985, more than a month before my question, and is with regard to specific information on United Sawmill, Hearst forest management and Golden Tiger Mining Exploration.

The interesting point is that I never asked about Golden Tiger Mining Exploration. The issue was never raised in the House until July 1986. Why was the minister's office inquiring about Golden Tiger fully seven months before my colleague the member for Sarnia (Mr. Brandt) made the connection to the member for Cochrane North in this House?

Hon. Mr. Kerrio: My ministry or my people never asked that question. The question was raised by one of the people from one of the opposition parties with one of my people. I said, "Give them any information they ask for," and that is precisely what happened.

Interjections.

Mr. Speaker: Order. I will just wait.

APPOINTMENT OF REEVE

Mr. Laughren: My question is for the Minister of Municipal Affairs and concerns his decision to appoint the reeve of the community of Chapleau rather than allowing an election to occur, which is what the community wished to have happen. Despite the fact that there was a unanimous resolution by council to have an election to replace the reeve, could the minister tell us why he decided to appoint a reeve, completely contrary to the wishes of the council?

Hon. Mr. Grandmaitre: I would like to advise my honourable friend that for a number of weeks the council in Chapleau, if I am not mistaken, could not resolve the situation at five or six council meetings and private meetings. Everybody wanted to run for the reeve's job, and it would have created two or three vacancies on council. I acted according to section 45 of the Municipal Act, which gives power to the minister to appoint a reeve in that case, and that is exactly what I did.

Mr. Laughren: Unfortunately, I know what the minister did. What I am concerned about is the fact that he completely ignored the wishes of that council. Will the minister reconsider his decision and put on hold the appointment of Mr. Russell as reeve until he has heard in person from a delegation from the community of Chapleau?

Hon. Mr. Grandmaitre: I will not reconsider. It is the privilege of the minister and the ministry to appoint councillors or reeves. This has happened in 135 municipalities since the last municipal election. Nobody has chosen to go the election way. It is the privilege of the ministry and the minister, and I will not renege. The council had a choice to appoint the councillor when this vacancy was created. I will not retract.

CHILDREN'S AID SOCIETY LABOUR DISPUTE

Mr. Baetz: I have a question for the Minister of Community and Social Services. In view of the month-long strike by the Children's Aid Society of Ottawa-Carleton and now the strike at the Robert Smart Centre for adolescents and the likelihood of a strike at the Ottawa and District Association for the Mentally Retarded, it is obvious the children's services in Ottawa-Carleton are in a state of crisis, simply awaiting a disaster to happen.

In view of the fact that the management in all these agencies simply cannot meet even the very modest requests made by the workers because of inadequate funding from the ministry, how can the minister continue to justify his month-long, stubborn stand to refuse in any way, shape or form to intervene in this very serious labour problem?

Hon. Mr. Sweeney: There are 1,800 transfer payment agencies in this province. Does my honourable friend suggest that I negotiate with each one of those 1,800? If he does not, where would he draw the line? Does my honourable friend also suggest that I go into the Children's Aid Society of Ottawa-Carleton or any other children's aid society in this province and start dictating to them line by line how they are going to operate their budget? I think not.

I have made it very clear that there are independent, autonomous boards across this province operating those agencies. They make those decisions on the basis of the transfer payment funds they get from our ministry and from the municipality of Ottawa-Carleton.

Mr. Baetz: I would simply like to remind the minister that he is ultimately responsible for services to children in this province and he cannot duck that responsibility. Nobody has to ask the minister to come in to dictate terms.

Mr. Speaker: Is that your supplementary?

Mr. Baetz: We simply ask him to sit down with the two sides and try to find some solution. Because of this tremendous crisis, how long is the minister going to diddle and daddle around? When is he going to come to Ottawa and at least try to bring the two sides together?

Hon. Mr. Sweeney: The honourable member himself has a background in the social services field. He well knows that the responsibility of this ministry and this minister is to see to it that the mandated services are delivered and delivered effectively. We are doing that during the strike, as well as outside of a strike. There is no

crisis in this situation, to the extent that every single child in that area is receiving the services he requires; that is being delivered. When they are not, this minister and ministry will step in.

Mr. Baetz: One hundred children have been sent home from group care. Let us not—

Mr. Speaker: Order. That is a point of information. It is far from a point of order.

WATER QUALITY

Mrs. Grier: Last week, we had yet another report from the Canadian Public Health Association on the province's drinking water. On the one hand, it noted that there was a lack of information available on health effects of exposure to several compounds but, on the other hand, reassured us that the health implications of overall exposure were considered to be negligible and below provincial guidelines.

Mr. Speaker, I am sure you understand we cannot have it both ways. I would like to ask the minister to assure this House that he is satisfied that no problem exists with drinking water that originates in the Great Lakes.

Hon. Mr. Bradley: I am pleased the member has asked this question, because it allows me to deal with the report, which I think provided some good news as well as some cautions. In the past, the manner of answering this question would be simply to say that all is fine, because the report that comes out essentially says the drinking water derived from the Great Lakes is fine, and the health authorities that were involved in this particular report indicated that was the case.

We are always striving to improve the quality of water available to all of us, whether it is for drinking purposes or for recreational purposes. That is why we have embarked upon an extremely ambitious program that has many facets to it and that deals with getting at the sources of the environmental problems that confront Lake Ontario, Lake Erie and the other Great Lakes. A large number of communities derive their drinking water from these particular locations and they want to be assured of that.

As I indicated, the report did provide some good news, but I do not think we should be satisfied until such time as we have perhaps reached a state of pristine water. We have to keep striving at all times to improve it. The way we do that is to reduce and eventually eliminate the contaminants that are going into those waterways.

15:40

Mrs. Grier: I had anticipated the answer. We are back to sources, but the minister knows that

many of the sources of contamination of the Great Lakes are beyond his control. They are on the United States side of the Niagara River or they are in the lakes, from which he cannot control the effluent. The minister must be aware that every state in the US that borders the Great Lakes has legislated standards for drinking water. Why will the minister, in addition to controlling the sources, not put in place in this province legislation that will lay down standards for drinking water and a procedure by which the public can be notified when those standards are violated? Where is the drinking water strategy the minister promised this House over a year ago?

Hon. Mr. Bradley: There are two or three things I would mention to the member in response to her very good question. First, she recognizes that we are talking about an international problem. That is why on many occasions we are in conversation and negotiation with our friends from the other side of the border. There is a gentleman here, who will be introduced more appropriately later, who is working very hard to improve the environment in a transboundary sense. We have that initiative under way.

In addition, the member cannot forget that our federal government is involved and deeply interested in these matters. She will know that a meeting of the Canadian Council of Resource and Environment Ministers just took place in Alberta. One of the topics that was discussed very thoroughly, and where there was a pretty good consensus, was the matter she has brought to our attention. I would say that across Canada we have a concern that is consistent about this matter and that, as a result of the consensus that has been reached at that meeting, we will see a national program with which we all will be pleased.

DETROIT INCINERATOR

Mr. Mancini: My question is also to the Minister of the Environment. The state of Michigan has given approval for Detroit to build an enormous garbage incinerator without extra pollution controls, despite clear warnings that this plant would increase the health risk in the Windsor and Essex county areas. What is the minister doing to ensure that Ontario residents, especially in the Windsor and Essex county areas, are going to be protected from this potential source of air pollution?

Hon. Mr. Bradley: The member may be aware that this matter has been before authorities in both the United States and Canada for some

time. Initially, when we received word that this is the circumstance we face—in other words, the construction of a garbage incinerator that did not have attached to it the best available technology, but only simply technology that some people felt was adequate—I made direct representations to both the Governor's office and the Department of Natural Resources in the state of Michigan. In addition, the memorandum of understanding was invoked whereby the state of Michigan and Ontario may have matters of this kind placed on the agenda of the joint organization we have. I can assure the member that will be placed on the agenda once again.

As well, I can assure him that I have had discussions with the federal Minister of the Environment, the Honourable Tom McMillan, who has been making representations both through the Department of External Affairs and his colleague Joe Clark, and under his own auspices through the Environmental Protection Agency in the United States.

In addition, the Premier (Mr. Peterson) has directed a letter to the Governor of the state of Michigan outlining Ontario's opposition and expressing the desire to see the best and latest available technology placed on this incinerator.

Mr. Mancini: I understand, to my disappointment, that the US Environmental Protection Agency has ended its legal efforts to revoke Detroit's permit for the construction of this incinerator. Without the EPA legal action, what legal steps will the minister take to ensure that the pollution controls will be put on this incinerator? Will the minister try to make contact with other political officials in the state of Michigan who feel as we do, that this incinerator is an environmental hazard?

Hon. Mr. Bradley: The answer to the question as it relates to the Environmental Protection Agency intervention in the courts is that it was most disappointing that the EPA had to withdraw its suit.

The suit was against the city of Detroit and Combustion Engineering. It withdrew the suit because it felt it did not have a strong position in court. Ontario had already announced that it would participate in this particular suit with a view to having the best available technology placed on that incinerator.

However, since the EPA has withdrawn and is looking for other avenues of action, we must then intervene in the court system in another way. At present, we are consulting with lawyers who have been somewhat successful in cases in the past, even on the other side of the border, to

attempt to develop the best possible method of intervening in the US courts on this matter to ensure that the best available technology is placed on that incinerator. In addition, we will continue our political initiatives with our friends in the state of Michigan.

ASSISTANCE TO FARMERS

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. He has raised the expectations of farmers in Ontario regarding financial assistance relating to the current weather crisis. When can we expect an announcement of new programs to assist our hard-pressed farmers?

Hon. Mr. Riddell: That comment is completely erroneous. This minister travelled very extensively throughout this province to look at the damage that has been done to this point. At every occasion that I had to speak to the farmers or to the news media, I made it abundantly clear there would be no additional aid for farmers until there was a total assessment of the crops that underwent some type of damage, not only because of inclement weather conditions but also because of price.

I think the honourable member is well aware of what the corn producers and the soybean producers might expect by way of price because of the Food Security Act. After the assessment, we will see just what can be done in conjunction with the federal government's \$1-billion deficiency payment, if one would call it that. The member's leader was going around the country saying that the federal government could not come up with any money because of its debt. I send a telex off to the federal government, and we get \$1 billion—

Mr. Speaker: Order. Supplementary.

Mr. Stevenson: I am not sure what that all meant, Mr. Speaker. For a guy who—

Mr. Grossman: The minister does not know what he is talking about.

Mr. Speaker: Order. Would the honourable member take his seat? I will just wait. I hope you do not run out all the time, so some other members can ask questions.

Mr. Stevenson: It is difficult to ask a supplementary from that answer. For a guy who does not know enough to put on rubber boots—

Mr. Speaker: Order. Did you want to try?

Mr. Stevenson: Yes. I certainly will try. If the minister checks the records, he will find that the rainfall since mid-August breaks records in parts of this province going back to the 1840s.

Mr. Grossman: It is in all the papers.

Mr. Stevenson: Those are unique situations and they certainly require unique and imaginative actions. When is the minister going to quit polishing his image and actually do something for the farmers in Ontario relating to the weather crisis they are facing right now in this province?

Hon. Mr. Riddell: It is interesting that the member should refer to the fact that I did not have rubber boots when I went out to ascertain the damage that was done. At least I went out. I do not think that member got outside of his riding to take a look at any part of the province where there was any type of damage done. That shows who has the farmers' interests at heart.

Interjections.

Mr. Speaker: Order. Would the honourable member take his seat. Are all the members finished now? No? Well, I will just wait a little longer.

15:50

Hon. Mr. Riddell: The member did not provide any great news when he told me we had been having record rainfalls. I was well aware of that. Some considerable weeks ago we were able to ascertain that some of these crops were subject to considerable damage because they could not be harvested. I set up a working committee within my ministry, which has been monitoring the situation. They will continue to monitor the situation.

We are looking at existing programs. If the member wants to be constructive, he can remind the farmers of the programs we already have in existence that they can make use of: the Ontario family farm interest rate reduction program, the crop stabilization program, the tripartite stabilization program and the crop insurance program. As a matter of fact, as I travel around the province, I have many farmers telling me that this government has done more in 15 months than the previous government did in 10 years.

Interjections.

Mr. Speaker: Order. New question, the member for Algoma. A short one, I hope.

ALGOMA CENTRAL RAILWAY

Mr. Wildman: I have a question for the Minister of Transportation and Communications. Are the minister and the provincial government aware that the Algoma Steel Corp. has given the Algoma Central Railway a very short time period in which to respond to its request for a decrease in the freight rate for sinter

from the Algoma Ore division in Wawa to Sault Ste. Marie?

Can the minister report to the House on the discussions that the provincial government and the federal government have been involved in with these two companies to determine what can be done to preserve the jobs on the ACR and to protect tourism and accommodation jobs in Sault Ste. Marie? Is this government considering an Ontario Northland Transportation Commission takeover of the ACR?

Hon. Mr. Fulton: I do not have at my fingertips all the information the honourable member requests. I have discussed to some extent with the federal Minister of Transport the provision of ongoing service to remote areas in particular and to areas of Ontario in general, as recently as a week and a half ago.

I do not have specific details as they relate to Algoma, but I am sure the member is very much aware of our ongoing interest in serving northern Ontario with every mode of transportation available and maintaining that kind of service to remote and otherwise economically in-need areas. He certainly has my assurance that kind of effort will continue.

I will attempt to get the details of the question as soon as possible.

Mr. Speaker: The members, I know, are sorry to learn that is the extent of the allotted time for question period.

Hon. Mr. Bradley: Point of order, Mr. Speaker.

Mr. Speaker: Point of order.

Hon. Mr. Bradley: We have in the Speaker's gallery—and this opportunity was not available at the beginning of question period—

Mr. Speaker: Order. I have that on my list.

VISITORS

Mr. Speaker: I would like to draw the attention of the members to two distinguished guests in the Speaker's gallery. One is US Congressman Sherwood L. Boehlet from the 25th district, New York; and the other is H. R. Lucius, acting United States Consul General. Please welcome our two guests.

PETITIONS

BUS SERVICE

Mr. Wildman: I have a petition signed by 92 residents of the Wawa area to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario, and in particular to the Minister of Northern Development and Mines:

"We, the undersigned, beg leave to petition the Legislature of Ontario as follows:

"That the bus service provided by the Ontario Northland Transportation Commission between Wawa and Sault Ste. Marie not be terminated."

SALE OF BEER AND WINE

Mr. Harris: I have a petition for the Lieutenant Governor in Council. It reads:

"We understand that the government of Ontario plans to introduce legislation to permit the sale of some beers and wines in Ontario grocery stores....

"We, the undersigned, wish to express our objection to you, as our elected representative, and to the Lieutenant Governor to any legislation which would exclude us and our place of employment from the opportunity to sell our customers any product simply because we are not a so-called independent store."

They list these points:

"This practice would discriminate against our customers who choose to shop here of their free choice for reasons we believe we have contributed to.

"This practice would discriminate against us by encouraging our customers to shop elsewhere.

"We believe we work hard and conscientiously for our customers and intend to do so for beer and wine, as well as for any other products we sell, including many strictly regulated products.

"We object to any government action which jeopardizes our jobs and earnings by manipulating free consumer choice.

"We believe we have earned the right to be respected for the way we do our work. We demand that, if legislation is passed permitting beer and wine to be sold in grocery stores, our grocery store be given the same permission."

It is signed by about 35 hardworking members of the A & P Food Stores in North Bay, Ontario.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON THE LEGISLATIVE ASSEMBLY

Mr. Breaugh from the standing committee on the Legislative Assembly presented the following report:

Your standing committee on the Legislative Assembly begs to report that on September 3, and Thursday, September 4, it met to interview candidates for the position of Clerk of the Legislative Assembly of Ontario.

By unanimous consent the committee passed the following motion by Messrs. Mancini, Treleven and Warner:

"That the Speaker seek an order in council from the Lieutenant Governor to appoint Claude L. DesRosiers as Clerk of the Legislative Assembly of Ontario at a starting salary of \$77,900 and the status of deputy minister; and

"That the appointment be held 'at pleasure' in accordance with section 74 of the Legislative Assembly Act."

Mr. Speaker: The member for Oshawa has another report?

Mr. Breagh: Yes. Just before we pass on this one, I think the members will want to note that this was the first time in the history of this assembly that a process of this nature was used. I should report that the position was advertised across the country. It was the first time that members of the assembly have made the choice of Clerk of the House. It was something that was unique. I do not anticipate that we will be doing it often, but I do want to report that the process worked well and that there was an opportunity to talk to people who were very well qualified to hold the job of Clerk of the Legislative Assembly, which is in itself not a normal position for most people, but one that is rather specialized.

We are very pleased with the selection. We are pleased with the process. It was not exactly an easy one, and perhaps a little more cumbersome than it really had to be, but it was our first attempt to do that in our history. We felt rather good at the end of the process that everybody in this country who felt qualified to hold that position had the opportunity to apply for it. We want to congratulate several members of our own staff here who applied for it and who were extremely well qualified as well. In the end, one cannot hire everybody one would like. One person has to be picked, and the committee did that and, I believe, did its job well.

STANDING COMMITTEE ON THE LEGISLATIVE ASSEMBLY

Mr. Breagh from the standing committee on the Legislative Assembly presented the committee's report on allegations of conflict of interest concerning Rene Fontaine, MPP, and moved its adoption.

Mr. Speaker: Does the member have any brief comment to make?

Mr. Breagh: Yes. I want to mention briefly today that this again was work we have not done in the past and, I might add, very difficult work for members of my committee as, I am sure, it was for another committee that dealt with a similar conflict.

In moving the adoption of the report today, I think our intention is clear. We feel very strongly that this House needs to address itself to conflict-of-interest legislation. We are, of course, aware that John Black Aird has tabled a report on that matter itself and has spent some time this summer trying to lay the groundwork for such guidelines.

It is a difficult job for a committee of the Legislature to do this kind of examination. I suppose the alternative is to use a judicial inquiry if one feels there is serious wrongdoing and one wants to step away completely from the process, but traditionally we have used the process of a parliamentary committee to do this kind of examination. It worked, and in the end—for our committee, at least—it worked well. There was a report put together that was signed by everyone and to which everyone agreed. We had a long and difficult summer; not a pleasant task and not helped by the fact that, unlike many other assemblies across the country, we do not have a legislative framework with which to operate.

I would hope that in the near future this report would be called for debate and that the assembly would have that opportunity to discuss at some length what members here feel are appropriate guidelines in legislative form for members of the assembly.

On motion by Mr. Breagh, the debate was adjourned.

16:00

SELECT COMMITTEE ON ECONOMIC AFFAIRS

Mr. D. R. Cooke from the select committee on economic affairs presented the committee's final report, Ontario Trade Review, and moved the adoption of its recommendations.

Mr. Speaker: Does the member have a brief statement?

Mr. D. R. Cooke: I do. This report represents the most intensive study of the possible effect of bilateral free trade between Canada and the United States which has been undertaken by any legislative body in this country. It was the unanimous view of the committee, with some dissent on the part of the New Democratic Party members, that a comprehensive free trade agreement with the US is neither achievable nor realistic.

The committee arrived at three general conclusions. The government of this province and the federal government must work to diversify Canada's trading patterns. The world economy is so integrated that protectionism by any major

country will have far-reaching repercussions for all other countries. We also came to the conclusion that a comprehensive agreement with the US is not achievable. It was the general view of the committee that the negotiations were somewhat ill advised and that the federal government was certainly ill prepared for those negotiations. In that regard, I would assume—

Mr. McFadden: On a point of order, Mr. Speaker: That was not a conclusion of the committee.

Mr. Pope: What just happened is unheard of.

Mr. Harris: That is unheard of in the history of this parliament. He cannot just sit here and lie to us and tell us stuff that is not in the report.

Mr. Speaker: Order. The report is just being tabled. I cannot make a decision on that. Is there any further comment?

Mr. D. R. Cooke: Yes.

Finally, I come to the conclusion that it is important that in any arrangements that are made with the US, the provincial governments should have a role. In particular, a mechanism for solving trade disputes should take place, which would be binding on both governments and which would include, in so far as the government of Canada is concerned, some role by the provincial governments. In this regard, I draw the members' attention to the lumber dispute which may well result in a decision on a countervail by the US government this week. If we had a binding dispute resolution mechanism in place at this time, we might not have the problems we are now dealing with.

Mr. Speaker: The member for Kitchener (Mr. D. R. Cooke) has moved the adjournment of the debate. Is it the pleasure of the House that the motion carry?

Interjections.

Mr. Pope: On a point of privilege, Mr. Speaker: What protection do we have when a chairman of a committee, in exercising his power as chairman, does not tell the truth about his report?

Mr. Speaker: Order. There are certain rules that must be followed. I put the question—

Mr. Harris: And we said no.

Mr. Speaker: That is right. However, I heard it; therefore, I was going to call a vote on it. Is that agreeable?

Interjections.

Mr. Speaker: Order.

17:02

The House divided on Mr. D. R. Cooke's motion to adjourn the debate, which was negatived on the following vote:

Ayes

Bossy, Bradley, Callahan, Caplan, Conway, Cooke, D. R., Cordiano, Curling, Eakins, Elston, Epp, Ferraro, Fontaine, Fulton, Grandmaître, Haggerty, Hart, Henderson, Kwinter, Mancini, McGuigan, McKessock, Miller, G. I., Morin, Munro;

Newman, Nixon, O'Neil, Offer, Poirier, Polsinelli, Reycraft, Riddell, Ruprecht, Sargent, Scott, Smith, D. W., Smith, E. J., Sorbara, Sweeney, Van Horne, Ward, Wrye.

Nays

Allen, Andrewes, Ashe, Baetz, Barlow, Bernier, Brandt, Breugh, Bryden, Charlton, Cooke, D. S., Cousens, Cureatz, Davis, Dean, Eves, Fish, Foulds, Gigantes, Gillies, Gordon, Gregory, Grossman, Guindon, Harris, Hayes, Jackson, Johnson, J. M., Johnston, R. F., Lane, Laughren, Leluk, Mackenzie, Marland;

Martel, McCague, McClellan, McFadden, McLean, McNeil, Morin-Strom, O'Connor, Partington, Philip, Pollock, Pope, Rae, Reville, Rowe, Runciman, Sheppard, Shymko, Stevenson, K. R., Swart, Taylor, Turner, Villeneuve, Warner, Wildman.

Ayes 43; nays 59.

Mr. D. R. Cooke: Mr. Speaker, before I continue this debate, I wish to raise a point of privilege. It is my understanding that the member for Cochrane South (Mr. Pope) indicated that I did not tell the truth when I was tabling the report.

Mr. Speaker: It would not be a point of privilege; it could be a point of order, if that is what the member is raising. Is there any further debate?

Mr. D. R. Cooke: I want to make something particularly clear. When the select committee on economic affairs started sitting in July 1985, it became clear very early in the game that the initiative and some of the activity that was taking place on the part of the federal government were not being supported in the Conservative benches of the committee. That view is not expressed in the report, and if there has been some misunderstanding about it, I want to make it perfectly clear.

Mr. Breugh: On a point of order, Mr. Speaker: Prior to the member beginning to speak, he rose on a point of privilege. It was not a point

of privilege, but it was a point of order. A member of the House declared that he had not told the truth. As of this moment, that is clear and on the record all over Ontario. I believe that has to be clarified. A member has accused another member of the House of not telling the truth, and I do not believe we can let it go by. I would like you to pursue that, sir.

Mr. Harris: On the point of order, Mr. Speaker: I see that it could be a point of order from the member for Kitchener, but I do not see why it is a point of order from the member for Oshawa (Mr. Breough).

Mr. Speaker: As I recall, the member for Kitchener got up and said the member for Cochrane South "may" have misled the House in his statement.

17:10

Mr. Breough: The member for Cochrane South stood in his place—it was not an aside, a quip or anything—and said the member for Kitchener had not told the truth. One cannot get much clearer than that, which is contrary to the standing orders of the House.

Mr. Speaker: I am wondering, when did he say that? Was that prior to the bell ringing or—
Interjection.

Mr. Speaker: Oh, prior to the bell ringing.

The member for Oshawa has raised a point of order, and I do not see the member for Cochrane South in his seat or within the precincts of the House.

Mr. Breough: Can I—

Mr. Speaker: Order. I am listening, and I appreciate that it should be resolved at the immediate time. I will have to look at the record and act on it tomorrow, since the member is not here.

Mr. D. R. Cooke: I appreciate that.

Mr. Wildman: Perhaps the member for Kitchener can tell us whether the member for Cochrane South was right.

Mr. Speaker: Order. Is the member for Algoma finished?

Mr. D. R. Cooke: I appreciate that. My recollection of what occurred is the same as that of the member for Oshawa.

In any event, it is the case that a number of members of this House spent a great deal of time and effort and put together a very comprehensive report. A lot of thought was put into this report, which was based on the premise that there are in fact bilateral negotiations going on between our country and the US. The report itself does not

comment on that fact; members of the House are quite aware of that.

My concern, which I stated earlier and which apparently irked so many members of this House opposite, is that there was certainly a feeling in the discussions that went on behind the scenes. It seemed to me pretty clear that there was a lot of concern about the way in which these negotiations were going on and about the preparedness of the federal government. I am simply making that as a statement of my own perception of what I saw when I was chairing the committee hearings during the course of the past 14 or 15 months.

To come to a consensus—and it did not particularly affect us in Ontario, because we have no say as to whether negotiations go on with the United States and Ontario—we did not address that. We addressed what Ontario could get out of this that would be best for the people of Ontario and for the people of Canada as a whole. Where can we go from here?

That is exactly what we have done in a list of no fewer than 40 recommendations voted on by all 11 members of the committee—excepting myself, of course—and which resulted in a report to that effect, followed by a dissent prepared by the members of the New Democratic Party.

Mr. Foulds: Good dissent too.

Mr. D. R. Cooke: I do not care to comment on the dissent, because it does not particularly pertain to the report; in fact, it contradicts the report.

The multilateral and bilateral negotiations can be helpful if Canada and Ontario get their act together and look out for those things that are most important for our country and for our province.

The most important thing that we feel needs to be addressed—and I am happy to say that during the course of the past several weeks this seems to have been the case with regard to the general public perception—is the negotiations on the General Agreement on Tariffs and Trade, which commenced in mid-September from Punta del Este in Uruguay. I am delighted that our province and three other provinces were involved in those negotiations and discussions that took place at that time. I am delighted that a number of countries from the first world and the Third World were able to come to some understanding so that negotiations could continue.

One of the important aspects of these negotiations that should be emphasized is that the agricultural segment should be proceeded with as quickly as possible, with all due dispatch. In

North America, indeed in the world, we have some semblance of a crisis in dealing with overproduction. It is time—I think we are at one with our federal negotiator, Mrs. Ostry, on this—that this crisis is dealt with and that some Third World country come to terms with the need to have a general reduction in tariffs in agriculture. The US is not necessarily moving in this direction at present.

The US Congress passed a Food Security Act in December 1985, an act which, unfortunately for the general debate on trade in the world, results in \$70 billion being available to assist American agricultural production, including assisting the countries receiving American food in finding ways and means of using that food in case they do not particularly want it. That concerns me, and I think it concerned all members of our committee.

That \$70 billion means that over the course of the next three years, up to \$20 billion can be spent on this in any one year. The Food Security Act of 1985 is the most expensive single piece of legislation ever passed in the history of the US Congress, and we have to ask ourselves the extent to which the Americans are seriously interested in negotiating if they are going to be involved in an act of that nature.

The Americans are saying everything is on the bargaining table, including agriculture. If they are saying agriculture is on the bargaining table, I presume that somehow or other Canada will be exempted from the Food Security Act of 1985. I find that hard to understand, but that is essentially what will have to happen. I think I speak for the whole committee when I say we are concerned about the emphasis being put on that in the course of the negotiations.

The US has 50 states; it has a number of trade barriers among its states. We have similar problems in this country; we have barriers that in effect need to be broken down. The committee spent a lot of time looking at a number of those barriers to labour mobility, to beer and wine, to alcohol, to construction materials and to things of that nature.

We have asked and endorsed the excellent results of the Belleville accord where ministers of industry and trade, under the chairmanship of our own Minister of Industry, Trade and Technology (Mr. O'Neil), came to certain conclusions with regard to the future of interprovincial tariffs. Basically, they have a freeze on those tariffs right now, and they are doing an inventory of those tariffs with a view to their being reduced and, we hope, wiped out to the extent they can be wiped

out, regardless of negotiations with the US. We have indicated that is of primary importance, and we have recommended to both levels of government that these tariffs be negotiated to the extent that they can be negotiated, in the interests of our own economy as well as the interests of the federal government.

17:20

That brings us to the purpose of the negotiations with the United States. In our discussions with Americans, we found they had a very smooth system. It is working well. The Office of the United States Trade Representative is small and compact in nature, but it has good tentacles into all the relevant departments of the American government: Agriculture, Labour, Commerce, Treasury and Secretary of State. All of these departments have people working vigorously to determine what is in the best interests of the United States in the negotiations with Canada.

In contrast to that, our government has set up what seems to this observer to be a rather bureaucratic office that has strained relations at best with many of the ministries of our own federal government and does not in all cases have good communications with the ministries of our own federal government. I suggest as well that this is certainly the case in its attempts to deal with the provinces and to keep the provinces up to date with what is going on in negotiations. As a result, it has been suggested, and it would seem to be the case, that a number of stances that perhaps could have been taken have not been taken, which would have benefited our position as a country in negotiating with the United States.

The most important of these will be rung home to this country in a very few days. The United States has a very complicated procedure called countervail. Countervail involves a situation whereby a producer in that country can allege injury of an economic nature and allege that it is a result of subsidies in a foreign country, e.g., Canada. Countervail then results when that allegation is made in a hearing by a tribunal called the United States International Trade Commission, which results in a decision about whether there is some evidence of injury.

If that decision is made, then the Department of Commerce proceeds to look at the subsidies in the foreign country. The Department of Commerce is, of course, a political arm of the administration of the United States and it has a political motivation when it goes to work, as does any political arm of a government. The Department of Commerce does not look at subsidies

within the United States. In looking at lumber this week, the Department of Commerce will not look at subsidies in the United States, merely at subsidies in our country.

Once a decision is made about whether there is a subsidy, then the International Trade Commission makes a decision about what tariff should be put on the product to assist the American producer in overcoming his economic loss.

This is a primary problem facing our country today. It is a basic problem. I suggest it is a problem that is recurring over and over again in this country. For us to enter into negotiations and sign an agreement with that country only to have that law continue in place would mean effectively that months after the agreement is signed, these trade irritants could resurrect themselves, new decisions could be made about what is a subsidy in this country and we would continue on our merry way.

It is obvious that this should be on the bargaining table, and it is the case, as I understand it, that our federal trade negotiator is not prepared to put that on the bargaining table. I ask why. I suggest that this procedure should be moved to an international tribunal, which would be an example to the whole world of the way in which trade negotiations could go on in this country or between this country and the United States, two of the greatest trading partners in the world. There is perhaps more trade passing between us than between any other two countries in the world.

What an example that would be. It would require a certain surrender of sovereignty by both federal governments, because we would have to give up our rights to countervail, but we could give up our countervail and lose very little indeed. It would be a dramatic example, and it is not there. It is not on the bargaining table. This committee report speaks very directly to that question and it submits that our country should be raising that, so the Americans could be forced to deal with it.

We are asking that this be considered. We are asking that the provinces have some input into this international dispute resolution mechanism. We have not worked out all of the ways and means by which that input could occur. It does not mean necessarily that any one province would have a veto or anything of that nature, but we are asking that there be some input from the provinces. I submit that would be a wise course of events for this country and that Ontario should be involved. When I say that Ontario should be involved, again I am not saying we should have

any kind of veto in that dispute resolution mechanism, but we should have some involvement in the setting up and the continual running of that type of mechanism.

Certain other things are very important and they need to be protected. Basically, the auto pact is the major source of our positive trade balance with the United States at this time. How quickly the Americans forget that the auto pact, over the course of the 21 years of its existence, has practically broken even in the amount of trade that has gone between the two countries. I understand that the difference is less than one hundredth of one per cent. While that balance is currently very much in the favour of our country, for most of the years the auto pact has been in existence, the balance was not in favour of our country.

Therefore, I am asking that Canada stand up for the auto pact and for the fact that it is a beneficial pact in total to both countries and has been so over the course of many years. We have a continental industry of managed trade that is working extremely well and, as we indicated, can work as an example in trade for the rest of the world. The committee has taken a pretty strong stand in that regard; again, that is something about which I did not really hear a dissenting voice. I suppose if we had free trade in everything else, the auto pact could disintegrate. It is our view, therefore, that it should be addressed. To that extent, it should be on the bargaining table to be addressed and it should be preserved.

In the area I come from, we are concerned about the Toyota plant. We are happy it is there. We are happy they are building and are injecting funds into our economy, but we are concerned that they too should wish to source their raw materials and parts in our province and in our country. Therefore, it is important that the auto pact be given some sense of permanence.

17:30

I had occasion to question the president of Toyota Canada on this subject, and one of the things he pointed out was that it does not have a sense of permanence right now. It is on the bargaining table. It is possible, I suppose, that if one were to talk to the federal negotiators in either country, it would be abolished. Even if it is not abolished, either country could give one year's notice and have the pact disintegrate.

This would be a moment, surely, that we could grasp to create a better climate for the auto pact, to have it addressed by both governments again, 21 years later, and to entrench it, perhaps more

firmly, in the fabric of both our economies by re-agreeing to all of its terms and perhaps improving the period of time in which someone could opt out of the agreement. That is food for thought, and it is something that has to be considered carefully.

A number of items were addressed in our report. I am sure there are dozens of other speakers this afternoon who are prepared to address these at great length.

One of the matters that was addressed in passing by the Prime Minister in a speech he gave on national television in June this year was a matter that we found almost in passing when the federal negotiators talked to us about it, and that is the subject of national treatment. National treatment is a term whose significance at first blush most people who are not aware of trade matters—and I certainly was not—probably do not grasp. As is pointed out in our full report, it means that the investment from the country receiving such treatment is considered in the same way as domestic investment.

When one takes that and places it into an agreement between two countries, one is basically saying that all across the country, in every aspect of life that has not been specifically addressed, national treatment is going to occur.

That means a lot when one looks at some of the areas the Minister of Consumer and Commercial Relations deals with. He deals with all kinds of matters that involve licensing, dealing with the professions and dealing with various forms of activity in our province in which, if we were to grant national treatment to Americans, we would lose our opportunity to control the activity in the profession. Take real estate, for example. We would lose the opportunity to control those people who are real estate agents and brokers, because we would have to grant that treatment to those in the United States.

Again, the Prime Minister said in his television address in June that this is something our federal negotiators have been told to negotiate. The question arises about the extent to which they are really consulting with Ontario before attempting to negotiate our rights away in that very sensitive area.

There are some forms of activity where national treatment may well be very valuable. We have heard from the engineers, we have heard from the architects and we have heard from a number of professions to the effect that they are not fairly treated now by the Americans and that this is very much in contrast to the way in which we treat American citizens. It seems to me that a

bridge is a bridge is a bridge. Unless there is some need to know about ice conditions, knowledge that would not be available to an engineer in Florida, I cannot see any reason that we cannot have national treatment in some of these areas.

These are some of the things that have to be worked out. Again, the cry goes out that there is a genuine lack of consultation in our country, with the provinces, with interest groups and with the professions generally. That area should be looked at very carefully. We should not, I submit, state that across-the-board national treatment should be available. Rather, we should pick and choose the areas in which we would like to have it available.

The report reiterates a number of the things we said in our interim report. That makes sense, because not a great deal has changed in the interim. The committee made trips to Washington and Ottawa in the summer of 1985. It made another trip to each capital in the summer of 1986. We probably had a unique perspective in the summer of 1986 on the attitudinal change that has gone on in the interim, a perspective that an administrator or someone even more closely associated with the negotiations would not necessarily have.

We found in 1986 that the Americans have changed in some very serious and important ways. I suggest they have changed in that they now are aware of us and know we are here. The congressman who was here today now is extremely aware of the negotiations going on in this country. He is trying to determine how they will affect what goes on in his 25th congressional district of New York state. Incidentally, that congressional district is mostly a farming district. It includes the cities of Utica and Schenectady, which are not terribly large cities, and the rich farming area around them.

He is attuned to the fact that farmers in his congressional district are telling him: "There is too much in the way of Canadian vegetables coming into our state right now. Do something about it." He is relating that to the news that now is getting out, including an editorial a week ago in the Washington Post, to the effect that these negotiations are front and centre and Canada is being noticed. Now that Canada is being noticed, maybe we should be standing up for some of the things we really want. Maybe it is too late to back out and say, "We did not want to get involved in this at all." That is a concern that is basically addressed in this report when we say, "Let us look out for this and let us look out for that."

The fact is that most Americans did not realize Canada was their leading trading partner. In fact, Ontario would be the leading trading partner of the US if one were to take it out of the federation; I am only suggesting that hypothetically, of course. It is the leading partner Canada has with the US. In view of the fact that the Americans now have taken notice of us, it is important that we make it clear where they benefit from dealing with us.

17:40

In other words, we have in this country an obligation to tell the people who make the laws in the US—and that is not the President; that is each and every congressman, 435 of them, and 100 senators—where they benefit in dealing with this country. That is surely the essence of a discussion that would result in better trade between this country and that country.

A good example is what took place in the steel industry in 1984, when the president of Stelco spent most of the year in Washington attempting to make certain that Canada was exempted from a tariff that was being put on steel. In the last analysis, the only way that could be done was to convince individual congressmen that their jurisdiction, their constituency, was dependent to some extent on Canada.

When we have 23 per cent of the trade of the US, if you do a little research, it is not hard to find the evidence and get it front and centre in front of a congressman about where people in his constituency are going to lose jobs unless Canada is granted a special exemption. That is the sort of initiative that is needed in that country.

We have the parliamentary tradition. We are not used to the lobbying efforts that go on in the US, directly with congressmen, but it is about time we learned and got involved in that. Ontario has the most to lose unless we do. That is why, over not-too-subtle pressure from the federal government to ignore the recommendation in our first report, we have recommended once again that an Ontario office be opened in the the district of Columbia, which would assist and co-ordinate and involve businesses in this province when they have to deal with the problems in the Congress of the US.

We have made it very clear that Ontario must be more involved in this sort of thing to make certain our interests are protected. As I say, that is not something that will fall upon pleased ears in Ottawa. However, I would remind Ottawa that there are Ontario Houses in London, Paris, Tokyo and other capitals of the world, and I would remind Ottawa as well that an Ontario

House, particularly in Paris, may be there for more than simply economic reasons. That is for those arguments we hear that there are no major corporate capitals in the district of Columbia.

That does not really matter. The decision-making process is occurring in the district of Columbia, and we should be actively involved in that process. That is how we are going to protect jobs in Ontario: By making them aware of the good things that are happening in that country because of the activity and the co-ordinated trade between it and this country.

One of the most curious parts of this debate has to do with what we refer to as our culture. It is an emotional issue in this country, with good reason. I do not need to expound upon it and the reasons behind our having decided over the course of history to do certain things, to take certain measures to protect what is near and dear to us. Because we have virtually a single line of inhabited territory 100 to 200 miles wide that runs from coast to coast, we have needed to develop, over the years, a means of communication so we can understand one another and so we can build our own nation in our own way. It has been a very different way from the way the Americans have built a melting pot, which is very much intertwined with instant mass communication, but it is extremely important to us.

At first, we were told by the federal people, the negotiators, that it was on the bargaining table. Then, when the pressure got a little heavy, we were told it was not on the bargaining table. The important thing is you have to have it there to say you do not want these things affected and you have to have these things there to explain to the Americans exactly what you mean.

Mr. Mackenzie: On a point of privilege, Mr. Speaker: Does the Speaker know whether it is the intent of the member to talk this out and deliberately delay until the end of the session? Having made one mistake, he will be making a second one if that is the procedure the chairman of the committee is using. It should be brought to the attention of the House.

Mr. Speaker: First, that is not a point of privilege or a point of order. It sounded like a question of the Speaker, and the Speaker is unable to answer questions; therefore, will the member continue.

Mr. Pope: On a point of order, Mr. Speaker: While we have this interruption, if anything I said may have offended you, I withdraw it and apologize to you, sir.

Mr. Speaker: I accept the member's withdrawal. Thank you. That will save me a lot of

research this evening. I appreciate that very much.

Mr. D. R. Cooke: It was not my initial desire or intention to speak on this subject at all this afternoon, but it is the case that the opposition has given me an opportunity to express some views that are very important to me, and I intend to do that.

Mr. Foulds: If the member is going to filibuster, he is in trouble.

Mr. D. R. Cooke: It took 18 months to get it and it will take at least 18 months to get through it. The question I was addressing was the question of culture.

Mr. Foulds: That is fine. If the members opposite want trouble on this, let them BS on it for the next hour. If they want trouble on this, they are going to get it.

Mr. D. R. Cooke: The question I was addressing was the question of our national identity. I cannot recall a single American who really grasped what we were talking about. We spoke to some Americans who understood it in an academic way, particularly those who may have studied in this country for some time.

The case is that our culture is something we have had to grow up with. We have had to grow up with a country 10 times as large as ours behind us, right beside us, towering over us, influencing us through magazines, films and television. We understand that, and it is something the Americans have never had to deal with at all. What they say to us is, "If it is that important to you, then buy yourselves out of it."

What I suggest should have been done is that the federal government should have said, "Tit for tat." They should have put similar things on their bargaining table. The congressman for the 25th district of the state of New York has major industries in his congressional district which are defence production industries. Defence production industries have been put into a lot of regions in the US that have employment problems. It is not that different from the sort of thing we do in that regard. When one stops and looks at it, their concern about national security can be correlated to some extent to our concerns about culture. Surely those two matters could have been put into some sort of a context so they could have been uniformly taken off the bargaining table.

17:50

As I indicated earlier, I have a number of matters that have, frankly, just popped into my mind and that concern me about the negotiations going on between this country and the US. I am

certain I have others I would have been able to address, had I known earlier we were going to be discussing this subject today. I certainly do want to hear from members opposite who are anxious that this matter be discussed—obviously, as thoroughly as possible—and I am therefore prepared to conclude my address at this time.

I say once again that I was extremely pleased with the co-operation and the work that went on in this committee. Members opposite and members of my own party worked extremely hard. It is the most extensive inquiry and review of this activity that has gone on in a legislative context in this country. There are very extensive inquiries going on now in the US; I am not aware of any others in this country. I commend to the government that it very carefully read our recommendations. Frankly, I also commend those recommendations to the government of Canada.

Mr. McFadden: It is unfortunate that the excellent work of this committee has come to this kind of situation today. The report which the chairman of the committee filed this afternoon was a product of excellent work by a group of 11 members of this House, who took their responsibility seriously and tried to come up with a report that fairly and accurately represented the needs of Ontario in the very competitive and tough world in which we are living today.

The genesis of the problem related to remarks the chairman made in presenting the committee's report to this House earlier today. I have a copy of the Instant Hansard, and the chairman of the committee is quoted as saying the following, "The committee arrived at three general conclusions." One of the three conclusions he cites is as follows, "It was the general view of the committee that the negotiations were somewhat ill advised and that the federal government was certainly ill prepared for those negotiations." That was not mentioned anywhere whatsoever in the text of the committee report, either by implication or in whole or in part.

The chairman mentions his observations related to certain behind-the-scenes talks, but the context in which those words were made was his report to this Legislature, which was supposedly to represent the consensus view of the committee. That certainly was not the consensus view of the committee or the majority view, and it does not appear anywhere in the text of this report. I will quote from two or three places in the final report to illustrate that. I refer to page 34 of the report, which reads as follows:

"The bilateral free trade negotiations between Canada and the United States that have begun are part of a long history of close relations. Occasional problems have arisen to strain these relations but, considering the length of our border and the magnitude of interrelationship, these have been infrequent. Trade issues may be the explicit subject of these negotiations. Trade establishes the health of both economies and is, thus, intimately involved in political, social and cultural institutions. A relationship that ensures a friendly and open environment is necessary in order to have stable, secure and expanding trade."

The committee report goes on to talk about the two principal goals of the trade negotiations; it says as follows:

"There are two principal goals of the bilateral trade negotiations. The first is to remove the few tariff barriers that still exist between the two countries and to try to remove as many nontariff barriers as possible. The second has two components: to secure access to each other's market by obtaining exemption from potential protectionist actions and by establishing some framework for dealing with the harassment which may result from various contingency protection actions."

The committee report then discusses the ways in which the negotiations could be worked through and an agreement secured which would be to the mutual advantage of Canada and the US. Very specifically, the report states: "...The goal of these negotiations should be to reduce or eliminate barriers to trade between our two countries in a mutually beneficial manner."

In my view, the committee report fairly and accurately sets out the depth and the complexity of the trading relationship between Canada and the US, but it did more than that. In a number of recommendations, the committee report also deals with the importance of the new rounds of negotiations starting under the General Agreement of Tariffs and Trade.

The report goes on to discuss the development of actual free trade within Canada so that we can have the freer movement of goods and services between provinces. The committee report specifically endorses the initiatives taken by both the current government and previous governments to break down the barriers among the various provinces. In effect, the committee report sought to look at the relationship not in a polemical light but in a light that reflected the practical issues and problems between our two countries. As the chairman stated and as the committee report specifically stated, it is not feasible in the current

environment, and it might not even be desirable for many, to have a free trade agreement with the US in the classical definition of that term.

It is fairly clear that neither the federal government in Canada nor in the US expects a total free trade area to be established. That is clear, and I do not think it is refutable. The Prime Minister of Canada and members of the negotiating team have all made it very clear that we are not negotiating a free trade area with the US. What is under discussion here is a trade agreement with the US to deal with the irritants and to look to reduce barriers to the mutual advantage of both sides.

Surely that is to the advantage of Canada. Why do we want barriers created between our two countries? Do we want countervail to come in to hurt Canadian exports? Do we not want to establish some form of dispute settlement mechanism between our two countries? Surely all the objectives set out in the committee report are valid and useful objectives.

What the committee report tried to approach was that we should not prejudge the negotiations at this stage. What our committee tried to do, and I think do effectively, was to set out the priorities that the negotiators in GATT and the negotiators with the US should follow in terms of dealing with the priorities and the needs of Ontario. Consequently, we touched on the need to strengthen the auto pact and the need to redefine the special privileges that are offered to developing countries so they cannot enter the country and put Canadian manufacturers at a disadvantage when they are not entitled to the same kind of special treatment as other developing countries that have not industrialized to the same extent.

18:00

There are those who wanted the select committee on economic affairs to condemn the opening up of trade and the trade talks with the United States. What the New Democratic Party refuses to admit is that the committee came out in favour of the opening up of trade between Canada and the United States, between provinces and between nations around the world. That was the essence of the committee report.

In comparing the previous dissenting report of the NDP with this one, I find it interesting that the NDP now acknowledges that there is some utility in having trade talks with the United States. In essence, they are advocating that we close the current talks and start new ones to deal with irritants and perhaps dispute settlement mechanisms and other things. It was the view of the

majority of the committee that that was ridiculous. There is no reason the talks cannot go on.

Mr. Foulds: Canada should put the auto pact on the table to strengthen it.

Mr. McFadden: The member for Port Arthur is interjecting and suggesting that the auto pact be put on the table to strengthen it. If we could strengthen the auto pact, it would be a good deal for Canada. There is no reason that cannot be achieved. As I understand it, there is no pressure from either Canada or the United States to open the auto pact. This is a red herring the NDP likes to throw out every time this discussion comes up.

Recommendation 1 of the NDP dissent goes on as follows: "The comprehensive free trade nature of talks be abandoned and the talks refocused to deal solely with the resolution of current trade disputes and the development of a bilateral mechanism to resolve future problems."

If I have ever seen sleight of hand, that happens to be it. In effect, the NDP dissent endorsed the thrust of the majority report with other words.

Mr. D. S. Cooke: That is like calling the auto pact free trade.

Mr. McFadden: That is interesting. The member for Windsor-Riverside talks about the auto pact not being free trade. The fact is that the Canadian Auto Workers and the NDP are going around the country misrepresenting what the auto pact is. It may be a form of managed free trade; it is also a form of free trade.

Mr. D. R. Cooke: The member is starting to sound like the Leader of the Opposition (Mr. Grossman). He had better be careful.

The Deputy Speaker: Order. The member for Eglinton has the floor. Will members please stop interjecting. The member for Kitchener is not in his seat and he is interjecting.

Mr. McFadden: The committee did not suggest that trade talks were ill advised. The committee report stated that trade talks could achieve something useful with the Americans and should go ahead on an agenda that will achieve it. Given Ontario's tremendous dependency on international trade and, in particular, its trade with the United States, I can see no valid reason that Canada should not now be carrying on trade talks with the Americans to forestall protectionist measures, to open up our trading relationship and to deal with future disputes.

To say what will come out of the discussions is to become a Cassandra or a fortune teller. What we have done in this report is set out for the federal negotiators in Canada a series of condi-

tions and approaches we think are important for Canada. They are valid, they are practical and they are based on the sound judgement of the committee after 14 months of research.

The problem I think we now have: I hope the latest impasse in terms of our discussions here today will not break down the legitimate spirit of co-operation we have tried to evolve in our work in discussing the economic affairs of this province. The select committee set a standard of work and co-operation that is important for Ontario and valuable for this Legislature. I hope the standing committee on finance and economic affairs can carry on in the same spirit of co-operation and sensitivity and with the same desire to look at issues in a way that is consistent with the best interests of Ontario.

There are a lot of reasons why we can be partisan in this House and there are certainly economic issues about which we can be partisan, but it seems to me that this report was on an area in which we made a real effort to look at the issues in a practical and objective light. I believe the report of the committee reflects that. There may be some who feel the committee should have come out against trade talks with the Americans, against the current trade talks.

An hon. member: Free trade talks.

Mr. Foulds: What are you describing them as? Freer? Enhanced?

Mr. D. S. Cooke: You sound like Brian now.

Ms. Gigantes: You are backing off.

Mr. McFadden: The fact is that the federal government, in repeated statements by the Prime Minister and by ministers, has specifically not referred to these talks as free trade talks; it has talked about them as trade talks. That has been going on for quite some time. I suggest what we now are trying to do is create phoney distinctions that add nothing to the discussions and that undermine the ability of the federal government to negotiate in a way that will deal with the salient issues that have to be dealt with between our countries.

Mr. Foulds: Which are?

Mr. McFadden: Someone asked, "Which are?" Let us discuss them. I assume it is to the advantage of both countries to break down barriers between our countries in a mutually beneficial way. Historically, after every General Agreement on Tariffs and Trade round has been completed, people have gone out and said: "Good lord, barriers to trade are being reduced. Canada is going to be destroyed."

The fact is that after successive GATT rounds, Canada has consistently done better than after the previous round. We have consistently gained as the successive rounds under GATT have opened up and liberalized world trade. That is why the committee endorsed the strengthening of GATT. After all, what does GATT mean? GATT represents an agreement to open up and to free trade between countries to the greatest extent possible.

All that the talks with Americans are designed to do is to open up and free up trade. Nobody realistically expects all barriers to disappear. It is not going to happen. Nobody expects it to happen. Anybody who suggests that these are the objectives of the talks is kidding people. The talks are aimed at establishing a more meaningful, deeper and better trading relationship between our two countries.

The committee report, in the consensus and in the majority, endorses the concept of talks going ahead to the mutual benefit of both countries, so that we can establish mechanisms and a framework under which the future trading relationship between our two countries can continue to develop and prosper.

That surely is a valid and necessary objective for Ontario, one that is clearly in the best interests of the workers, the professions, the businesses and all the people of this province. Therefore, I am pleased to stand to support the final report as submitted to the House.

18:10

Mr. Mackenzie: The bilateral free trade initiative that we entered into almost a year ago is one of the most stupid and hare-brained projects this country has ever seen, and I think members of the committee have begun to realize that.

I sat with some amazement listening to the chairman of the committee in his filing of the report in the House today. It seemed to me he was arguing for the dissent that the New Democrats had submitted in that report. I wish he had been more willing to do that during the course of the hearings when we practically begged them to put an end to the charade of comprehensive bilateral free trade talks. I listened to the Tories and, even there, there is a backoff that is rather strange.

I would like to remind the House of two or three things. First, in our last trip to Washington and Ottawa, one of the questions asked was what the intent is. We were clearly told that the goal and the intent were still a comprehensive bilateral free trade agreement. Members can talk all they want and they can hide all they want, and that is exactly what is happening here. We have an

embarrassed chairman who knows he has made a mistake in the report that was issued.

The objectives of the US are clear. We do not have time in the few minutes I have left today to go into all the things I would like to go into. If I may digress for a moment, we talked to senators and congressmen in Washington and we asked them about the timetable and the possibility of achieving this agreement that the government had entered into, of this initiative succeeding with a comprehensive free trade agreement, and they laughed at us.

They told us there was no way within the time frames set up that this comprehensive trade agreement could be done unless—always with a great big laugh and smile which came from every one of the elected US officials we talked to—we gave them a good enough deal. In other words, “If you want to give away the store, fine, you may get a deal.”

We are entering into trade talks now. Before we start, we have already given away some of the major playing cards we might have had in such a set of comprehensive trade talks. The Foreign Investment Review Agency was down the drain before we ever started, and that was something they really wanted in the US. The national energy policy was practically destroyed, something else they wanted. We have caved in on cruise missile testing, and now we have the generic drug issue.

My God, what have we got left to negotiate with? They say they do not want to put something like the auto pact or even agriculture on the table. That was the first step. We changed it slightly in the final report. We do not want to put them on the table. They should not be on the table. There should not be free trade talks if these items are on the table.

The other thing that people are not being very honest about in this House in this debate is that all these issues, certainly the auto pact and agriculture, had to be on the table, and that was made very clear by the Americans when we talked to them as well. Is anybody stupid enough to think that we are going to enter into a series of talks and put the auto pact, which is one of the few things that is our salvation jobwise in Ontario, on the table and then negotiate ourselves out of it?

Do you think we are not going to be giving up something to get that? What is the tradeoff? What all do we give up when we protect, if indeed we can protect, the auto pact? In that context, I want to bring to your attention something in the dissent of the New Democratic Party. Members should take a good look at our dissent on pages F-1 to F-8, the final item in the final report.

Paul Volcker, chairman of the US Federal Reserve, certainly a power in tax or trade matters in the US, stated clearly in a seminar on Critical Issues in the US Economy in April this year that the US strategy—and we are talking now about its deficit and the free trade talks—was to lower its trade deficit with Canada by \$10 billion.

We have a surplus of \$20 billion or \$22 billion, but it is going down now. The only area that means a hell of a lot of jobs in this country where we have a surplus is the auto pact, and it is six or seven or eight billion dollars. Is anybody foolish enough to think that, with the stated goal of a top US official to cut the American deficit with Canada by \$10 billion, one of the items they are not going to be looking at is the one area in which we have a surplus and which does create jobs? Are we fools?

There was an editorial in the Toronto Star on September 27, just a matter of a few days ago. It occurred after we had our press conference filing the final report. What did that editorial say? I have not seen it put better, and I think it highlights the case we are trying to make. The editorial simply says, "Having It Both Ways."

We certainly heard examples of that here today today from both the chairman of the committee and the member for Eglinton (Mr. McFadden), who tried to argue that we were not really talking about total free trade.

An hon member: The Toronto Star is a socialist rag.

Mr. Mackenzie: The Toronto Star has been the member's paper most of the time.

I ask all members to listen to this, because I think it puts it in a nutshell:

"The Ontario Legislature's select committee on economic affairs has produced its final report on the province's trade options. It shouldn't have bothered.

"The all-party committee, with the exception of the New Democratic Party, decided that, on the one hand, we should pursue trade talks with the US, but on the other hand, a comprehensive free trade agreement, the aim of the current round of talks between Canada and the US, is 'neither achievable nor desirable.'

"In other words, the Liberal and Progressive Conservative committee members boldly stood up for having it both ways.

"We're used to doubletalk from politicians, but this committee takes the cake. We think the NDP members on the committee had it right when they issued a dissenting report that said free trade talks should be shelved because 'jobs will

be lost, industries will suffer and Canadian sovereignty would be threatened.'"

That, my friends, is about as effective a case for the dissent that we filed as can be made.

When people say we have to continue, we have to go on, we started the initiative and it is too late to stop, I cannot help but think of these sound remarks, which I recommend to my Tory colleagues in this House. They obviously were not listening, and perhaps it is one of the reasons there is such a lack of these kinds of voices in their caucus today.

The arguments were made in Washington by Bob Elgie, who made it very clear that he did not support free trade talks and that the longer we continued this charade the more irritants and hot points we were going to expose and the more trouble we were going to have in the trade situation.

This party has never said, not in our interim report—and there is some misreading of it there—nor in the final report, that we do not think there should be talks. What we are saying is that talks have never stopped going on. There were talks long before they started this narrow, comprehensive bilateral framework, and there will always be talks. It is exactly what did happen. On that point, the chairman is right in terms of the steel industry.

To put it in the context of a set time frame, an agreement that has to be approved in the US Senate and House, with all the back-offs that members on both sides of the House are now trying to do, that is a comprehensive bilateral free trade agreement, is to do this country an injustice and to prevent us from getting on with solving some of the real problems we have in settling the disputes.

It is the issue of perhaps more, not less, negotiations like the auto pact, which is not by any stretch of the imagination or any twisting of facts a free trade agreement of any kind at all. It is the kind of fair trade agreement that all of us in this country will accept. It may be there are other areas where we can take a look at this.

It also stops us. We are wasting a whole year and exposing all these problems when we could be looking at things such as content legislation, which is really the basis of the auto pact. We could be looking at what we could do ourselves, the way a family would when in trouble—in other words, replacing some of our imports with materials, goods and manufacturing that we can produce and do ourselves here in this country.

Those suggestions make sense, as does an ongoing mechanism, not exactly like but mod-

elled after the initial aim of the International Joint Commission on the waterways, some kind of mechanism that recognizes early on a hot point between us and the United States, a point of potential dispute, and starts pulling the facts together so it can be answered.

18:20

Steel is one of them; we may have problems there. I want to deal with that for a moment. When they resolved the dispute in 1984 to which the chairman referred, they did it on the basis of some damned good work done by Stelco and a number of other people, and some of our officials in Washington as well, who were able to point out to individual senators and congressmen in the US that we were buying back \$1.25 worth for every dollar of finished steel we were selling and that they would be hurting themselves if they continued with this. As I understand it, that figure is now up to \$1.29.

That kind of preparing the groundwork and gathering the information is what we should be doing in the areas where we have disputes. We should not be putting everything on the table and saying, "Maybe some kind of comprehensive agreement is going to allow us to get out of trouble in these issues."

It is also worth noting that we are talking about a comprehensive agreement that starts with a level playing field and saves some of our industry. We are going to remove all the tariffs and other barriers to trade.

I do not mind using a quote from the president of the Canadian Auto Workers. I find it strange that when we take a look at what is happening currently in our talks and in our current situation with the US, in those areas where we have already achieved total free trade and no tariff—I am thinking of the shakes and shingles, for example—what is the US doing? It is slapping a 35 per cent tariff on us. We were almost in the same position with fish, cut flowers, steel and a number of other items. They are the very areas they are hitting us with and throwing on tariffs.

Does it make any sense that we work like hell and trade off some of the additional points to give us a comprehensive agreement, so they can continue to slap on tariffs and the rest of it? There is no guarantee in any agreement that we will not face the same kind of situation in the US. Even in a bilateral comprehensive trade agreement you are not going to be able to take away the protection of countervailing duties in the US. They made it very clear to us, even in the context of an agreement that was not negotiable.

What does that mean? It means any American company can simply say, "Our company, our exports and our production are being hurt by imports from Canada;" or it can say there is an unfair subsidy in Canada. That unfair subsidy should bother every single person in this room, because it can encompass almost all our social programs as well. The minute they take that, then they can go after countervailing duty legislation. It does not make sense for us to enter into this kind of agreement with the US when we do not have that protection removed, and we will not have it removed.

I find it is difficult at times to understand the thinking of members who, like me, have heard the Americans—and our own people, I might say, it is not just the Americans—tell us, "Yes, the auto pact, agriculture, everything has to be on the table." They do not understand that the minute you are able to move one of those off the table or get some protection, there is a price for it. I cannot understand people who cannot see the current pattern in the US and the real problems it has, and understand that we are going into those negotiations with a more than \$20-billion surplus, that a good chunk is in the heavily job-related auto industry and that we have statements such as Mr. Volcker's, which clearly says, "Our goal in the negotiation is to reduce our deficit by \$10 billion." Where the hell are they going to reduce it other than in the job-related areas we are now freely going to put on the table in a series of comprehensive negotiations?

Then, given the current protectionist mood in the US and the current concerns and fears of US congressmen and senators, we do not understand that when we set up this committee that is supposed to enhance our trade and to bring us to an equal playing field level, they are not going to take a look at that, and every time they find out that we have a slightly different system from theirs—they did not win the fish item on this, but as we all know, the New England Governors squawked like hell about the fact that Newfoundland fishermen were collecting unemployment insurance payments two or three months of the year because they could not fish year-round. That was one of the things that initially triggered the attack on our exports of fish to the US.

As I think one of the previous members, Bob Elgie, clearly stated, every time we expose a sore point or an irritant—we have it now in softwood lumber, and we have had it in cut flowers, in hogs and in issue after issue—a coalition of US senators and congressmen will say, "Hey, here is one other area we had better have clearly decided

before we enter into it." As a matter of fact, we now have them saying that both the softwood lumber issue and the steel issue—they are trying to reopen it—should be settled before we enter into any kind of agreement or get serious in our negotiations.

My God, let me remind members once again that before we enter into it there are the national energy policy, the Foreign Investment Review Agency, cruise missile testing, generic drugs—which is going to be a real load for senior citizens in this country—probably softwood lumber shortly, and they would like us to settle the steel deal. That is all before we get down to business. What are we going to trade off with what is left in those kinds of talks?

Let us start talking some common sense. Let us take a look at the kind of mechanism and whether it is worth working on, because I suspect it also costs the Americans one hell of a pile when they have to go through fights such as they are going through even on the softwood lumber deal. Let us see if there is not some common ground in trying to set up the mechanisms to deal with those kinds of disputes.

Let us also take a look at the auto industry and do some preparatory work in advance. We have a real problem coming up there. It is not just the auto pact we are now dealing with; it is whether we are going to be able to sell parts from the auto industry we have to some of the new plants being set up in this country. That is a serious point. That in itself could undermine the auto pact we already have.

Let us take a look at how we strengthen the auto pact, and look at it as being an absolute necessity. The Japanese firms that have set up manufacturing and production facilities in this country also have to source from some of the auto parts plants we have already developed in this province, which do a damned good job.

Let us look at whether there is another area we could be looking at with the type of fair trade agreement we have in the auto pact. It might very well be possible in farm machinery in northern Ontario. It should be possible in our food industry, in which we have seen major segments disappear. I still am never able to get over my favourite story about the loss of canned tomatoes in this province. Not many years ago we canned 70 per cent of what we used. We now are down to less than 20 per cent. Agricultural critics have told me that we could produce everything we would ever need in this crop, but we no longer have the canning plants, and we no longer have the ability to supply our own needs.

Let us take a look at the food industry and at some of the other industries to find out whether our approach should be a deal similar to the auto pact or at least a very clear intent in terms of the economy and the protection of jobs in this country. Let us look at what we could be manufacturing ourselves, what we could be doing; in other words, import replacement. If we are not prepared to do that, we are in trouble.

If some people think we are cheating a bit with that approach, I would remind members that probably the healthiest trading country in the world, or close to it, is Japan. The Japanese did not do it by free access to their markets. They did it by protecting their damned markets and going out to move one item at a time into the other markets.

I do not think we should take that total approach, but it makes sense for us to decide what we have to protect and what we need as a national identity. I have not had a chance to get into the threats to our social and cultural identity, but they are there. These are the kinds of things we should take a clear and careful look at. This is the type of approach we should take, and it does not envisage stopping talks with the Americans or anybody else.

As part of that strategy, we also think the emphasis should be on trying to renew, and obviously a major job is needed to make it acceptable because there have been problems with it; but the multilateral trade approach through GATT would make much more sense than continuing to put all our eggs in one export basket: the US.

When are we going to start taking a look at the alternatives? When are we going to stop them beating us over the head with the problems there obviously are in the trade situation? This government could have taken the initiative. In my opinion, it could have given the Premier (Mr. Peterson) a tremendous leg up by issuing the kind of report that was in our dissent, which says, "Hey, we do not disagree with the talks, but the approach is not the narrow, bilateral, comprehensive trade agreement that sets the wrong tone and the wrong objectives and clearly makes it impossible for us to win from the beginning." He could have gone to the first ministers' conference with some real marbles, instead of us not knowing in this committee which side of the fence the Liberals are on in the free trade issue.

The Deputy Speaker: Order. May I draw the attention of the member to the clock? Perhaps he would like to move adjournment of the debate.

On motion by Mr. Mackenzie, the debate was adjourned.

The House adjourned at 6:30 p.m.

APPENDIX B
ALPHABETICAL LIST OF MEMBERS*
 (125 members)

Second Session, 33rd Parliament

Lieutenant Governor: Hon. L. M. Alexander, PC, QC

Speaker: Hon. H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
 Ashe, G. L. (Durham West PC)
 Baetz, R. C. (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
 Bennett, C. F. (Ottawa South PC)
 Bernier, L. (Kenora PC)
 Bossy, M. L. (Chatham-Kent L)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breagh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Callahan, R. V. (Brampton L)
 Caplan, Hon. E. (Oriele L)
 Charlton, B. A. (Hamilton Mountain NDP)
Conway, Hon. S. G., Minister of Education (Renfrew North L)
 Cooke, D. R. (Kitchener L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cordiano, J. (Downsview L)
 Cousens, W. D. (York Centre PC)
 Cureatz, S. L. (Durham East PC)
Curling, Hon. A., Minister of Housing (Scarborough North L)
 Davis, W. C. (Scarborough Centre PC)
 Dean, G. H. (Wentworth PC)
Eakins, Hon. J. F., Minister of Tourism and Recreation (Victoria-Haliburton L)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Ferraro, R. E. (Wellington South L)
 Fish, S. A. (St. George PC)
 Fontaine, R. (Cochrane North L)
 Foulds, J. F. (Port Arthur NDP)
Fulton, Hon. E., Minister of Transportation and Communications (Scarborough East L)
 Gigantes, E. (Ottawa Centre NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)

Grandmaître, Hon. B. C., Minister of Municipal Affairs (Ottawa East L)
 Gregory, M. E. C. (Mississauga East PC)
 Grier, R. A. (Lakeshore NDP)
 Grossman, L. S. (St. Andrew-St. Patrick PC)
 Guindon, L. B. (Cornwall PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Hart, C. E. (York East L)
 Hayes, P. (Essex North NDP)
 Henderson, D. J. (Humber L)
 Hennessy, M. (Fort William PC)
 Jackson, C. (Burlington South PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy (Niagara Falls L)
Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services (Kingston and the Islands L)
 Knight, D. S. (Halton-Burlington L)
Kwinter, Hon. M., Minister of Consumer and Commercial Relations (Wilson Heights L)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
 Leluk, N. G. (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Mancini, R. (Essex South L)
 Marland, M. (Mississauga South PC)
 Martel, E. W. (Sudbury East NDP)
 McCaffrey, R. B. (Armourdale PC)
 McCague, G. R. (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McFadden, D. J. (Eglinton PC)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
 McNeil, R. K. (Elgin PC)
 Miller, F. S. (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Morin, G. E., Deputy Chairman of Committee of the Whole House (Carleton East L)
 Morin-Strom, K. (Sault Ste. Marie NDP)

Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)

Newman, B. (Windsor-Walkerville L)

Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)

O'Connor, T. P. (Oakville PC)

Offer, S. (Mississauga North L)

O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)

Partington, P. (Brock PC)

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines (London Centre L)

Philip, E. T. (Etobicoke NDP)

Pierce, F. J. (Rainy River PC)

Poirier, J. (Prescott-Russell L)

Pollock, J. (Hastings-Peterborough PC)

Polsinelli, C. (Yorkview L)

Pope, A. W. (Cochrane South PC)

Pouliot, G. (Lake Nipigon NDP)

Rae, R. K. (York South NDP)

Ramsay, D. (Timiskaming L)

Reville, D. (Riverdale NDP)

Reycraft, D. R. (Middlesex L)

Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)

Rowe, W. E. (Simcoe Centre PC)

Runciman, R. W. (Leeds PC)

Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)

Sargent, E. C. (Grey-Bruce L)

Scott, Hon. I. G., Attorney General (St. David L)

Sheppard, H. N. (Northumberland PC)

Shymko, Y. R. (High Park-Swansea PC)

Smith, D. W. (Lambton L)

Smith, E. J. (London South L)

Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)

South, L. (Frontenac-Addington L)

Stephenson, B. M. (York Mills PC)

Sterling, N. W. (Carleton-Grenville PC)

Stevenson, K. R. (Durham-York PC)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)

Taylor, J. A. (Prince Edward-Lennox PC)

Timbrell, D. R. (Don Mills PC)

Treleaven, R. L., Deputy Speaker and Chairman of Committee of the Whole House (Oxford PC)

Turner, J. M. (Peterborough PC)

Van Horne, Hon. R. G., Minister without Portfolio (London North L)

Villeneuve, N. (Stormont, Dundas and Glengarry PC)

Ward, C. C. (Wentworth North L)

Warner, D. W. (Scarborough-Ellesmere NDP)

Wildman, B. (Algoma NDP)

Wiseman, D. J. (Lanark PC)

Wrye, Hon. W. M., Minister of Labour (Windsor-Sandwich L)

Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines

Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue

Conway, Hon. S. G., Minister of Education

Bradley, Hon. J. J., Minister of the Environment

Scott, Hon. I. G., Attorney General

Riddell, Hon. J. K., Minister of Agriculture and Food

Eakins, Hon. J. F., Minister of Tourism and Recreation

Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy

O'Neil, Hon. H. P., Minister of Industry, Trade and Technology

Sweeney, Hon. J., Minister of Community and Social Services

Elston, Hon. M. J., Minister of Health

Wrye, Hon. W. M., Minister of Labour

Grandmaître, Hon. B. C., Minister of Municipal Affairs

Curling, Hon. A., Minister of Housing

Fulton, Hon. E., Minister of Transportation and Communication

Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services

Kwinter, Hon. M., Minister of Consumer and Commercial Relations

Munro, Hon. L. O., Minister of Citizenship and Culture

Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development

Van Horne, Hon. R. G., Minister without Portfolio

Ruprecht, Hon. T., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Cordiano, J., assistant to the Minister of Colleges and Universities (Downsview L)

Epp, H. A., assistant to the Treasurer (Waterloo North L)
 Ferraro, R. E., assistant to the Minister of Industry, Trade and Technology (Wellington South L)
 Haggerty, R., assistant to the Minister of Government Services (Erie L)
 Henderson, D. J., assistant to the Minister of Community and Social Services (Humber L)
 Mancini, R., assistant to the Premier (Essex South L)
 McGuigan, J. F., assistant to the Minister of Natural Resources and the Minister of Energy (Kent-Elgin L)
 McKessock, R., assistant to the Solicitor General and Minister of Correctional Services (Grey L)
 Miller, Mr. G. I., assistant to the Minister of Agriculture and Food (Haldimand-Norfolk L)
 Offer, S., assistant to the Minister of Consumer and Commercial Relations (Mississauga North L)
 Poirier, J., assistant to the Minister of the Environment (Prescott-Russell L)
 Polsinelli, C., assistant to the Minister of Labour (Yorkview L)
 Reycraft, D. R., assistant to the Minister of Education (Middlesex L)
 Sargent, E. C., assistant to the Minister of Tourism and Recreation (Grey-Bruce L)
 Ward, C. C., assistant to the Minister of Health (Wentworth North L)

STANDING COMMITTEES

Administration of justice: chairman, Mr. Brandt; vice-chairman, Ms. Fish; members, Mr. Charlton, Ms. Gigantes, Ms. Hart, Messrs. O'Connor, Offer, Partington, Polsinelli, D. W. Smith and Villeneuve; clerk, L. Mellor.

Finance and economic affairs: chairman, Mr. D. R. Cooke; members, Messrs. Ashe, Barlow, Ferraro, Foulds, Haggerty, Henderson, Mackenzie, McFadden, Miss Stephenson and Mr. Ward; clerk, L. Mellor.

General government: chairman, Mr. McCague; vice-chairman, Mr. Dean; members, Mr. Allen, Ms. Bryden, Messrs. Cousens, Guindon, Ms. Hart, Messrs. Henderson, McGuigan, Pollock and Reycraft; clerk, D. Deller.

Government agencies: chairman, Mr. Gregory; vice-chairman, Mr. Lane; members, Messrs. Hayes, Leluk, Mrs. Marland, Messrs. Mc-

Kessock, Poirier, Rowe, D. W. Smith, South and Swart; clerk, D. Arnott.

Legislative Assembly: chairman, Mr. Breaugh; vice-chairman, Mr. Mancini; members, Messrs. Bossy, J. M. Johnson, Laughren, Martel, Morin, Newman, Sterling, Treleaven and Turner; clerk, L. Mellor; assistant clerk, T. Decker.

Ombudsman: chairman, Mr. McNeil; vice-chairman, Mr. Sheppard; members, Messrs. Bossy, Hayes, Hennessy, Mancini, McLean, Morin, Newman, Philip and Shymko; clerk, T. Decker.

Public accounts: chairman, Mr. Runciman; vice-chairman, Mr. Gillies; members, Messrs. Epp, Ferraro, Gregory, Harris, G. I. Miller, Philip, Pope, D. W. Smith and Wildman; clerk, D. Arnott.

Regulations and private bills: chairman, Mr. Callahan; vice-chairman, Mr. Haggerty; members, Messrs. Charlton, Cordiano, Cureatz, Ferraro, Hennessy, McKessock, Morin-Strom, Shymko and Wiseman; clerk, D. Deller.

Resources development: chairman, Mr. Laughren; vice-chairman, Mr. Ramsay; members, Messrs. Bernier, Cordiano, Epp, Knight, Mancini, McKessock, Pierce, Poirier, Reville, Ms. E. J. Smith, Messrs. Stevenson and Taylor; clerk, T. Decker.

Social development: chairman, Mr. R. F. Johnston; vice-chairman, Mr. Reville; members, Messrs. Allen, Andrewes, Baetz, Davis, Jackson, G. I. Miller, Offer, Reycraft and Ward; clerk, F. Carrozza.

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Economic affairs: chairman, Mr. D. R. Cooke; vice-chairman, Mr. McGuigan; members, Mr. Barlow, Ms. Caplan, Messrs. Cordiano, Ferraro, Mackenzie, McFadden, Morin-Strom, Miss Stephenson and Mr. Taylor; clerk, D. Arnott.

Health: chairman, Mr. Callahan; members, Messrs. Andrewes, Baetz, D. S. Cooke, R. F. Johnston, Poirier, Polsinelli, Reycraft, Sargent, Miss Stephenson and Mr. Turner; clerk, D. Deller.

*The lists in this appendix, brought up to date as necessary, are published in Hansard in the first and last issues of each session and on the first sitting day of each month.

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No. 48

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Second Session, 33rd Parliament
Wednesday, October 15, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, October 15, 1986

The House met at 2 p.m.

Prayers.

MEMBERS' STATEMENTS

FOOD BANKS

Mr. Cousens: I want to congratulate the residents of Metropolitan Toronto, the Daily Bread Food Bank, Loblaws Ltd. and the Toronto Star for a tremendously successful food drive. The Share Thanksgiving fall food drive in six days collected \$1.2 million worth of groceries. It is estimated that one in 10 Toronto residents took part in the drive, which supplied food to the city's hungry through 140 relief agencies.

Last winter, 38,000 people in Metro Toronto received food from soup kitchens and food banks. This year, agencies such as the Scott Mission, Second Harvest, the Daily Bread Food Bank and Stop 103 are serving far more people than ever before. This summer's demand from Metro Toronto's hungry was more than four times that of last year, and that was during the slow season. Winter is when the crunch really starts.

Unfortunately, in a few months the whole problem will begin again, as the supply of food gathered at Thanksgiving is depleted. The trend of more and more people eating meals at soup kitchens and using food banks is alarming. It tells us that social assistance programs are not covering even basic needs. Those directly involved cite the lack of affordable housing as the major reason for the added pressure on food banks. Soup kitchens and hostels are Band-Aid solutions to poverty.

The Minister of Community and Social Services (Mr. Sweeney) has failed to address the issue of the hungry and the homeless in Toronto and the rest of the province. Is he going to continue to hide behind his review of the social welfare system or, as the winter weather approaches, will he, in conjunction with the Minister of Housing (Mr. Curling), show leadership in addressing the concerns of the province's poor?

USE OF LOTTERY FUNDS

Mr. Grande: I stand today to encourage the Treasurer (Mr. Nixon) to withdraw Bill 38, An

Act to amend the Ontario Lottery Corporation Act. If the government has its way, this amendment will end the dedication of the profits from provincial lottery games to culture, recreation, sports and physical fitness. This amendment was arrived at by the government without any prior consultation with any of the affected communities and their constituents. So much for the open government concept.

Bill 38 does not extend lottery profits designation to cancer treatment hospitals and university research in addition to sports and cultural activities. Instead, it channels all lottery profits to the general consolidated revenue fund without providing any guarantees that the money will be spent on what it was intended for. This is a raid that will leave hundreds of community groups in every corner of Ontario in a lurch and unable to pursue their activities in the arts, recreational sports and physical fitness.

This is not the first raid. In May, this government, behind closed doors, removed by order in council the requirements that Interprovincial Lottery profits be spent on health, environment-related health research and hospital capital construction.

Bill 38 represents an attempt by the Liberals to break the trust that exists between the Ontario government and the arts. Bill 38 destroys the partnership between the government and our municipalities, recreational groups and sports organizations. We are informed that the pressure is on to recall Bill 38. We will oppose this bill if the Treasurer does not withdraw it.

YOUTH EMPLOYMENT

Mr. Cordiano: I am pleased to report on the success of the summer employment programs operated by the Ministry of Skills Development.

Members will recall that the minister announced in January an allocation of \$43.8 million to provide 61,000 summer jobs. Through Experience '86, more than 7,000 students were employed in career-related jobs by more than 100 ministries and associated organizations. Another 862 students accepted the challenge of starting their own businesses with interest-free loans through the ministry's student venture capital program.

The Ontario youth employment program provided a wage subsidy of \$1.25 an hour to employers to encourage them to create new summer jobs. Many thousands of employers applied to the program. The deadline for claims is January 31, 1987, but it will be February before we have our final figures. We fully expect to exceed our goal of 53,000 jobs.

Many young people find their own jobs. In five communities, volunteers assisted nearly 14,000 young people in finding employment locally through job blitzes in Metro Toronto, the national capital region, Sault Ste. Marie, Sudbury and North Bay. I salute all these volunteers and all the employers who took part in these campaigns. With their special efforts and the support of provincial and federal summer employment programs, the past summer has been one of the best for job hunters in the 1980s.

PAEDIATRIC CRITICAL CARE TRANSPORT PROGRAM

Mr. Andrewes: In the past two years, there has been a significant reduction in the number of paediatric residents in post-graduate education programs. At the McMaster University Medical Centre, the paediatric critical care program was able to assist in staffing the paediatric critical care transport facility. This meant that critically ill children would be accompanied during transport from one hospital to another by a trained specialist.

Recently, the McMaster medical centre, which has been carrying on the total cost of this program through its global budget, has notified area hospitals that it is discontinuing its paediatric critical care transport program and is forced to substitute a program of reduced service. This is unfortunate, to say the least, but even more astounding is the fact that this announcement comes at a time when the government of Ontario brags repeatedly about how it has improved health care accessibility in the province.

It is galling when the Minister of Health (Mr. Elston) speaks so proudly of our health care system as he announces yet another capital construction program, while at the same time the individual operating costs of hospitals across the province are coming under increasing pressure. Surely, if the Minister of Health wants to crow about improved accessibility, he must accept the criticism from an outstanding health care facility such as McMaster for failing to fund properly existing programs, which will see the quality of health care in the Hamilton-Niagara region deteriorate.

UNIVERSITY FUNDING

Mr. Allen: Under the current Liberal government, as under the past Conservative regime, this province is still lagging behind the other nine provinces in the country in its level of university funding. It is a scandal that at this time the system is, in effect, \$170 million in arrears in per capita student funding, that it needs \$233 million more in order to reach the level of per capita funding across the country and that it requires \$450 million to reach the national average level in terms of per \$1,000 of personal income. Yet this government has locked itself into four per cent inflation level increases for last year and this coming year.

The minister professes sympathy to this situation, and yet he tells the university presidents that this government will get elected in any case, regardless of what it does about universities.

While student enrolments have been up 25 per cent, funding is down 16 per cent in real terms. It gives me no pleasure, therefore, to send the minister a plaque naming him as the second recipient of the national basement funding award in university funding.

I appeal to him to increase university level funds to national level grants and to send the university system in this province to the proper track with respect to the support necessary for the government's economic programs to reach fulfilment.

OKTOBERFEST

Mr. D. R. Cooke: Mr. Speaker, it is with special pride that I point out to you on behalf of the member for Kitchener-Wilmot (Mr. Sweeney) and the member for Waterloo North (Mr. Epp) that the number one event in Canada is on right now in Kitchener-Waterloo. That is our famous Oktoberfest, which will be on until next Saturday night. The Kitchener-Waterloo Oktoberfest is the largest Bavarian festival on the North American continent and the second largest in the world.

Last year more than 600,000 visitors were treated to an impressive lineup of top-notch events and attractions. The same thing is going on this year, including fest halls, sporting events and art displays. The turnout is better than ever. Despite the outstanding growth rate, Oktoberfest has still managed to maintain the authentic German flavour that is rooted in centuries-old traditions. I believe that the spirit of *gemutlichkeit* personifies the spirit of Oktoberfest and that

of our community as a whole. There is still time, please come. Oktoberfest ist wunderbar. Prost.

An hon. member: Ein prosit.

APPOINTMENT OF REEVE

Mr. Pope: In the 10 seconds that are left, I wish to join my colleagues in the condemnation of the Ministry of Municipal Affairs in its treatment of the citizens of Chapleau, not only with respect to the election of a mayor, which is their democratic right, but also with respect to Cedar Grove Lodge and the failure of this ministry to meet with the citizens, the cancellation of meetings and the failure to hold—

Mr. Speaker: Order.

Ms. Fish: Shame.

Mr. Speaker: Order. That completes the allotted time for members' statements.

14:13

STATEMENTS BY THE MINISTRY AND RESPONSES

NOBEL PRIZE WINNER

Hon. Mr. Peterson: On behalf of the government and the people of Ontario, I would like to extend congratulations to University of Toronto professor John Polanyi on being chosen to share the 1986 Nobel prize for chemistry.

Dr. Polanyi was honoured for his groundbreaking work in developing a method of infrared chemiluminescence, pivotal in the development of lasers. All Ontarians will take pride in this tremendous honour accorded Dr. Polanyi, who has been with the department of chemistry at the University of Toronto since 1956.

This serves to remind us of Ontario's tremendous potential to break new ground in science and technology. It also reminds us of the enormous contribution that has been made by those who came to Canada from other lands. I believe it is especially appropriate that this honour should be conferred on Dr. Polanyi, who escaped Nazi Germany as a child and who has worked tirelessly for peace as an adult, in the same year that Elie Weisel was awarded the Nobel Peace Prize. I am sure all Ontarians share in this great honour and extend their heartfelt congratulations to Dr. Polanyi.

Mr. Grossman: Mr. Speaker—

Mr. Speaker: I will have to ask. Is there agreement with the House? Fine. The Leader of the Opposition.

Mr. Grossman: I should briefly like to join the Premier in recognizing these two particular

awards of the Nobel prize. It is an opportunity for all of us here to reflect upon the very massive contributions that have been made by Canadians from all walks of life and from all backgrounds.

It is particularly noteworthy for us to rise on this day and contemplate that within yards of where we sit this afternoon, a great institution lies—the University of Toronto—where some of this world-leading research was carried on and some of these major breakthroughs occurred.

It is a time for all of us to share a bit in the tremendous honour that has been bestowed upon Dr. Polanyi and as well to reflect on the importance of the work we do here, which does not cause these things to happen but in a small way allows them to be developed and researched by people who have come to this land and who live here.

As the Premier has properly noted, it is appropriate that Dr. Polanyi share this moment in his life with Elie Weisel, who has spoken articulately, clearly, often, passionately and emotionally about the Holocaust and who has worked so hard to make sure the lessons that should have been learned continue to remain in the forefront of our consciences and minds. As Elie Weisel would want to remind us, one ought to reflect on this day on how many people perished in the Holocaust who could have matched, equalled and perhaps added to the tremendous contributions Dr. Polanyi, one who escaped the Holocaust, has made.

Among us is a survivor, someone who escaped beforehand and who has made an enormous contribution. As we share in the pride that he must feel, we must also stand back and reflect that thousands of other advances could have been made if so many like him had not perished while so many others stood quietly and watched.

Mr. Rae: It is with great joy and pride that I and my colleagues join in the celebration in this House, as will take place across Canada, of the award that was announced this morning by the Nobel committee to a truly remarkable Canadian and a wonderfully fine and sensitive human being whom many of us know, John Polanyi.

The Polanyi family is truly one of the remarkable families, not simply of this country, but also of the world. Refugees from central Europe, they have enlivened the mind, the intelligence, the soul and the civilization of Canada, as well as of the United States and Great Britain. They have been among the most remarkable teachers of their generations. Canada and Toronto have been privileged to be the home of a most remarkable man, a great scientist, who

has contributed in the way described by the Premier—and those of us who are not scientists have to take this on the word of those who are—to the development of the laser.

I do not know John Polanyi as a scientist in that sense. I simply know him as someone whom I have always admired as a member of the university community and, particularly, as someone I have come to admire and know for his contribution to world peace. He has never hesitated to speak out for the cause of disarmament. He has been a leader among world scientists in attempting to develop a sense of conscience and commitment to the cause of world peace. He has a marvellous self-deprecating sense of humour and he has been an enormously civilized asset to the life of the community that is the University of Toronto, a community of which at times I still feel a part, and of Ontario and our country.

It is perhaps also worth noting that Dr. Polanyi's daughter has been from time to time a member of our community as a member of the press gallery. We would want to take note of that fact as well.

In response to comments made by the leader of the Conservative Party, it was 20 years ago at the Shaarei Shomayim synagogue that I first heard Elie Weisel speak of the Holocaust. I have heard him many times since in Canada, England and the United States. To meet him and listen to him is truly to listen to the voice of the ages. It is a remarkable tribute to him, to the Jewish people and to those who have survived the ghastly, historical experience of the Holocaust that the Nobel committee has chosen to recognize him. All of us and so many Canadians who have been touched by the words and the presence of Elie Weisel want to salute him, and I know the Legislature would want to express that today.

ANNUAL REPORT, ONTARIO ADVISORY COUNCIL ON SENIOR CITIZENS

Hon. Mr. Van Horne: I am pleased to table the annual report of the Ontario Advisory Council on Senior Citizens for the fiscal year 1985-86.

The advisory council, which reports to me, is made up of a group of knowledgeable and dedicated individuals who provide advice to the government concerning issues that affect the wellbeing of seniors in the province. I am pleased that Mrs. Ivy St. Lawrence, the chairman of the council, is with us in the gallery today.

During the past year, the council has presented me with a number of excellent reports on health

promotion and prevention, Alzheimer's disease, abuse of the elderly and a proposal for a bill of rights for residents of long-term care facilities. The council is currently addressing a number of issues such as support to family care givers, education of health care givers and other personnel and transportation needs of the elderly. I am pleased that these reports are available now for members of the House and they were put in their mailboxes earlier today.

In closing, I would like to say how much I value the advice given to me and the government by the members of the council, as well as that provided to me by other individuals and senior citizens' organizations across the province. Their knowledge and wise counsel are very important as this government addresses the issues affecting the quality of life of our senior citizens, and particularly as we implement our new agenda.

Mr. Dean: I am pleased to stand and respond briefly to the statement by the Minister without Portfolio responsible for senior citizens' affairs.

As he said, this is the report of a very worthwhile committee that the government has seen fit to continue from the previous government. The Ontario Advisory Council on Senior Citizens is one of the most valuable councils we have in Ontario.

My experience with them in my former capacity on the government benches led me to have a great respect for the accumulated wisdom, but at the same time, the vigour and the initiative that the members of the council always portrayed in the advice they gave the government through me and now through the minister. I compliment them, especially the chairman, Mrs. St. Lawrence, for another good report.

I am sorry to say that in contrast to the good report, however, in spite of needling from the minister, the government does not seem to have come across with many of the things the seniors themselves say are necessary for the better life we all know the seniors need.

To single out only one example, mention is made in the report of the need for more attention to Alzheimer's disease. On pages 14 and 15, there are no fewer than 20 separate worthwhile recommendations for the consideration of the government. I want the members of the assembly to contrast that with the rather pathetic attempt the government has made to address it up to this point by setting aside about \$4 million for it. Our leader, the Leader of the Opposition (Mr. Grossman), recently pointed out the great divergence between the amount of money and the need. We in this party, on this side of the House,

would beef that up by a factor of about three and a half times.

There is a lot of work to be done, and I hope the advisory council will keep on advising the government and that the government will start listening.

DISASTER RELIEF

Hon. Ms. Munro: Recently we have been reading in the newspapers and seeing on television the devastating results of earthquakes in Greece and El Salvador. The scenes are horrifying for all of us, but for Canadians who have family in those two countries the anguish and the fear for relatives and friends is unbearable.

We are well known in Ontario, and indeed in Canada, for our compassion in times such as these. I am sure all members of this House will be pleased to know that once again the Ontario government has agreed to send financial aid to countries in distress.

In September, my colleague the Minister without Portfolio the member for Parkdale (Mr. Ruprecht) met with representatives from the Greek community and with the Greek consul general. The reconstruction of the hospital of Kalamata was identified as a top priority. To assist in this mission, \$100,000 has been made available.

As regards El Salvador, \$100,000 is going to the El Salvador Red Cross to be used as it sees appropriate in its relief efforts.

I know all members of this House extend their condolences to the survivors and the families both here and in Greece and El Salvador. Our prayers and thoughts are with each and every person who has been affected by these disasters.

In times of great tragedy, the resilience of the human spirit is amazing. The people of El Salvador and Greece are proving it at this time of great sorrow.

While dollars can never replace the dreadful loss of precious human life, I am sure this entire assembly is pleased that the government can help the countries in their endeavours to rebuild the shattered lives of their surviving citizens.

Mr. Shymko: We find it most commendable that the government is making the humanitarian gesture of extending aid to the victims of the earthquake in El Salvador, as was done in Greece.

I want to point out that there are some jurisdictions in this world where tragedies occur that do not ask for help or sometimes refuse to seek help. I recall the resolution passed unanimously by this House in June in relation to the

Chernobyl disaster. I want to ask the minister whether she has considered offering assistance and medical aid through the International Red Cross to the victims of that other terrible tragedy. There are many families and relatives who are Canadians or are related and who share that compassion.

In providing assistance, we sometimes have to initiate it and not wait for a request. I ask the minister to consider offers of assistance in the future even if requests are not made by other governments, so as to continue the tradition of humanitarian compassion.

Mr. R. F. Johnston: I would also like to respond to the offer by the Minister of Citizenship and Culture of \$200,000 to the victims of the two earthquakes. We have a large Greek community in this province, and we have major connections with that country as a result of this. Many of us know from our own constituents how difficult it is to know there is a major tragedy in one's home area, with all the problems of communication that usually come with that, not knowing what has happened because of the huge gap and distance and knowing how hard a time it is for those people. It is very important that we make these kinds of gestures.

For the people from El Salvador, a much smaller community, many of whom came to Canada for safe haven from a civil war that has left their lives in peril for reasons other than natural disaster, this has been an especially troubling time because communication with El Salvador is never easy and this time it has been very tough. I was in the region this summer, as the members know. It is disheartening to note the lack of relief work in the barrios in San Salvador itself and to note that most of the relief work of trying to save lives has come in the middle-class districts of the city. That is one of the problems that points up the difficulty of finding time only in times of crisis to make our connection with these countries.

I hope this Legislature will think seriously in the next little while about how we can use our riches in this country to assist countries such as El Salvador, Nicaragua and others to meet these kinds of natural disasters better on their own by helping them with many of their other problems.

UNIVERSITY RESEARCH INCENTIVE FUND

Hon. Mr. Sorbara: I have a statement to make on the university research incentive fund. Just before I do that, though, I would like to thank my colleague the member for Hamilton

West (Mr. Allen) for giving me and our government a 10 in our efforts thus far to address the problems of university underfunding. I think that is very good.

Mr. Rae: It was 10th out of 10. That is last.

Mr. Martel: That is the kind of racehorse you would not want to have running for you.

Mr. McClellan: A minister who cannot add.

Mr. Speaker: Order.

Hon. Mr. Sorbara: On a more serious note, I would like to add my personal congratulations to Dr. John Polanyi. I can tell members that the entire university community is very proud of him for having that honour bestowed on him.

In addition, I am pleased to inform the House of the introduction of a revised university research incentive fund program. The previous program has been subject to a thorough review, with extensive consultation taking place within the private sector, the universities and other provincial ministries. A co-ordinated effort was required to ensure that the limited resources available achieved maximum impact.

Several changes have been made to the program in an effort to make it more effective in stimulating greater research co-operation between the universities on the one hand and the private sector on the other hand and, in addition, to facilitate the transfer of technology.

Under the new program, every \$1 invested in an approved research project by a corporation from the private sector will be matched by \$1 drawn from the fund.

The university research incentive fund will be used to subsidize the costs of approved research projects that have potential economic benefit for Ontario and that strengthen the partnership between industry and our universities.

Applications will be reviewed by a selection committee consisting of representatives from industry, the universities and government. The committee will base its judgements on the quality of the proposal, the experience of the researchers and the potential economic benefit to the province. In the near future I will announce the membership of that selection committee.

L'économie de l'Ontario repose de plus en plus sur notre aptitude à poursuivre des recherches de classe mondiale. Dans le monde innovateur de la haute technologie, nous devons, pour faire face à la concurrence, tirer profit de nos points forts. Le gouvernement est d'avis que les universités ontariennes ont un rôle important à jouer dans le domaine de la recherche et du développement.

La recherche universitaire représente, comme je l'ai déjà dit, un placement dans l'avenir social et économique de cette province, en plus de contribuer à rehausser la qualité de l'enseignement qui y est dispensé. La recherche menée dans les universités est un important facteur d'innovation, et elle tient un rôle de plus en plus prépondérant dans la transformation et l'essor économiques de la province.

The principle underlying the university research incentive fund, and one I want to emphasize here, is that it is only by working together with our universities that industry and government can provide the support necessary for major research projects.

Mr. McFadden: I found the statement by the Minister of Colleges and Universities very interesting. It is clear from his statement that he is giving a very solid endorsement to the university incentive fund launched by our party's leader when he was the Treasurer of Ontario. It is clear that through this announcement the government is endorsing the excellent work of that fund. We have, however, a question to ask the minister.

When the fund was launched in the budget a couple of years ago, it was proposed that for every \$1 of government funding there should be \$2 from the private sector. In the announcement made by the minister today, we notice it is \$1 from the private sector for every \$1 from the public sector. While there are no figures in this statement, and it would be nice to have some figures as to what it all comes down to, are we to understand from this that there is going to be a major increase in government funding, or are we to infer from this that the incentive fund will have less money available to provide for research in our universities?

We are very pleased to see that the government is endorsing the fund created by our government, but the statement has left a number of important questions unanswered.

Mr. Allen: Responding to the Minister of Colleges and Universities and his statement with respect to research incentive funding for Ontario's universities, we in this party, and I in particular, are delighted that some new guidelines have been attached to this operation of the ministry and that the intent is to ensure that limited resources are available and made to achieve their maximum impact.

There is in the whole statement, however, a curious note which says, "This government recognizes that Ontario universities have a valuable role to play in the area of research and development." If anything, that is a dramatic

understatement. The universities of Ontario are in fact the site on which virtually all the fundamental research in this province takes place. They are also the site on which most of the applied research is undertaken. To give them simply a valuable role and not the most valuable role is a significant understatement.

The major problem with regard to research funding in the province, however, has to do with two things. The first is the item I call to the minister's attention by awarding him a 10, not for being 10th at the top but 10th at the bottom as the universities understand in terms of their indicators. Unless one is prepared to put in at the bottom and to provide the core funding and the operational grants that make the rest of the structure and the system function properly, the minister's trickle-down theory, whereby he says he will put money in at the top and see it float down so that it improves teaching and so on, simply will not happen.

The second aspect of a fundamental nature with respect to research funding in this province and across the country is that universities have to expend by and large at least 50 per cent of the value of every research grant in providing overhead costs to make it happen. A recent report surveying the granting systems and the ways in which the universities are compensated in this country as a whole marked Ontario as the province that had the worst record in terms of providing overhead moneys to make it possible for the research grants to be effectively placed and mounted within the university system.

While this is an important initiative—and I am glad to see it is now dollar for dollar as against one to two—I hope the minister will go further and find ways to enhance the overhead funding that will enable the universities to carry the research they get in a sponsored fashion, which has been coming in a dramatic way from the private sector. There has been a 34 per cent increase in sponsored research in our system since 1977-78. The private sector knows it can get economic and efficient research in the universities, and it is up to the government to make certain it happens most expeditiously.

TABLING OF INFORMATION

Mr. Harris: Mr. Speaker, on a point of order: With reference to standing order 88(d), there are currently 87 questions standing on Orders and Notices, some of them 10 months old. Our party has raised this matter with you several times in this House, most recently on Thursday, May 8. Some of those same questions still remain

unanswered. It is a flagrant abuse for the honourable members of this House. I ask that this matter be yet again brought to the attention of the government in an effort to evoke the respect that these standing orders are due.

Mr. Speaker: The member has brought up a point of order. I certainly hope the appropriate ministers will take note of the request.

14:39

ORAL QUESTIONS

RETIREMENT OF CLERK

Mr. Grossman: I have a question for the Premier with regard to the former Clerk of the Legislature. Yesterday, the Treasurer (Mr. Nixon), who, let us recall, negotiated this arrangement, said, "The former Clerk is entitled to a continuation of his job for as long as he lives or as long as he can perform the job." Was it the Premier's position or belief that the then Clerk could no longer perform his job?

Hon. Mr. Peterson: I discussed this yesterday and I would rather not be dragged into personalities on this issue. As I said to the member yesterday, and I think it answers his question, we believed it was time for a change in the Legislature. Certainly, there were consultations with others. The member's party willingly participated in choosing a new Clerk, whom we are delighted to have here. As I read this Legislature, knowing a number of members, that sense was predominant here.

In no way was it an attempt to discredit the former Clerk personally. I really do not want to put these things on an individual or personality level. It was felt we were due for a change here, and that is what led us to the conclusion. As the member knows, Mr. Lewis had served here for a great number of years—some 40 years, as I recall—and he was 75 years old. I think there is a sense that no one has the right to a lifetime tenure on any job, that there was probably an error in the drafting of the legislation in 1974 and we should move forward.

Mr. Grossman: The reality is that the Premier made a decision that replacing the Clerk was a priority. The public of Ontario is being asked by the government to provide \$91,000 in annual salary, a car and driver, generous office space, \$47,000 in costs for an office, a one-time-only payment of \$117,000, an annuity that costs \$200,000, new office furniture for \$8,000 and additional costs.

The public of Ontario is being asked to pay that amount of money to the former Clerk in order to

effect the change. I think the public whose money is being spent has a simple question to ask the Premier. Does he think the former Clerk could continue to perform his job? He made the decision, and the public is entitled to know what the Premier of this province thought about the former Clerk's ability to do the job. Then the public can assess whether he made a reasonable deal.

Hon. Mr. Peterson: I wish the member opposite would not try to drag me into a discussion in which I am not going to participate about the former Clerk's personality or his characteristics one way or the other. I hope the member can keep the discussion above that.

He will recall that the view was that the job of Clerk was equivalent to that of a judge under the old legislation. We wanted to be as fair-minded as we could. The member is critical of the amount that is being discussed. I agree with him that it is a lot of money and it is being discussed by a number of people at present.

Mr. Grossman: While the Premier attempts to rewrite the deal he made to replace the Clerk, the public has one simple question. Did the Premier replace the Clerk just because he felt like spending \$2 million to get change or because he thought the public would be better served since the former Clerk was incompetent? If there was no problem with the previous Clerk, if he was capable of doing his job, if the Premier was not discriminating against him because of age, then the public wants to know why it is spending \$2 million to effect change at the table.

Hardly any members of the public knew of the former Clerk, knew of the present Clerk or have their daily lives affected by what happens at the table in this assembly. They want to know why the Premier changed the Clerk and whether he believes he was capable of doing the job. He should have the courage to stand up and answer that question.

Hon. Mr. Peterson: I am sure the former Clerk very much appreciates the member's assistance in making him a public figure. I am sure he would want me to express that gratitude to the member on his behalf.

I do not think my honourable friend can have it both ways: on the one hand, argue that the Clerk should have gone on for ever and, on the other hand, say the settlement was too generous. I have difficulty understanding the member's position. Is he saying the Clerk should have stayed, that it was too expensive for him to go or that we should not have treated him in a fair-minded way? I am not sure what he is saying in the circumstances.

I repeat to my friend that many changes have taken place in this House and in the administration of this province; some of which he approves of and some of which he does not, he would not have done them. We know his party's approach to these matters. It had 42 years to do the kinds of things it wanted to do.

Mr. Grossman: We would not have spent \$2 million to buy some—

Hon. Mr. Peterson: I do not think the member's figures are accurate.

Mr. Grossman: We would not have spent \$2 million.

Hon. Mr. Peterson: My honourable friend would spend \$650 million for an oil company. One can make one's own choices on these matters.

Mr. Epp: They would have spent \$3 million.

Mr. Speaker: Order.

Mr. Grossman: No, we would have left him in the chair. We did not think he was too old to do the job.

Mr. Gillies: We would have put the member in the cabinet.

Mr. Eves: Who is going to be in cabinet first?

Mr. Gillies: The member for Waterloo North (Mr. Epp) wants to answer the questions, not ask them.

Mr. Speaker: Order. I will recognize the Leader of the Opposition for the second question.

Mr. Grossman: We think people who are 75 years of age are quite capable of doing the job. We do not fire people because they are 75.

Mr. Martel: The member should be careful with the truth.

Hon. Mr. Sweeney: Let the record show that the member was smiling when he said that.

Mr. Gillies: What happened to the member for Waterloo North's limo?

Mr. Grossman: The member for Timiskaming (Mr. Ramsay) has it.

Mr. Gillies: How does the member feel about that? The member for Timiskaming is going to be in the cabinet before the member for Waterloo North.

Mr. Grossman: We heard the vote was 49 to 1.

JOBS IN AUTOMOTIVE INDUSTRY

Mr. Grossman: I have a question for the Minister of Skills Development. With regard to General Motors looking for skilled workers outside of this country, we now find that while

there are 400,000 unemployed Ontarians, the minister was informed of their intent to advertise overseas and was therefore aware of the shortage of skilled tool and die workers to fill the jobs at General Motors. Will the minister outline the specific steps he took after he discovered that?

Hon. Mr. Sorbara: I do not know where the Leader of the Opposition gets his misinformation. I was not personally informed of their intention to advertise for workers overseas. As to what steps we are taking, he should know, because he has been a Conservative for many years and he has a good affiliation with his party in Ottawa, that long-term industrial and institutional training is the primary responsibility of the federal government. If the Leader of the Opposition is really concerned—

Interjections.

Hon. Mr. Sorbara: We will give them a chance to hoot and howl. The fact is their Conservative brothers and sisters in Ottawa, through their Canadian job strategy, denied Ontario and Canada some \$200 million annually over the next few years in this critical area of skills training. If they are really concerned, their discussion should take place in the first instance in Ottawa.

Mr. Grossman: I presume the minister is talking about the same Prime Minister who was lauded by the Premier when he was in Tokyo as a great conciliator, someone who is bringing Canada together. That is probably the same Prime Minister.

Mr. Speaker: Order. Was that your question?

Mr. Grossman: No, it was not. In my supplementary question, I want to ask the minister this question. It was reported in the Toronto Star today that General Motors indicated permission had been obtained "from both Canada Manpower and Ontario's skills development ministry to seek the workers abroad...." His suggestion that he did not know about it indicates either his ministerial incompetence or his unawareness of what is going on in his own ministry.

A group of 83 employers has approached Conestoga College for an apprenticeship program essentially for people who will be equipped to repair the robots that are being installed in the auto plants in Ontario. To date, after many months, Conestoga College cannot get approval from the ministry for the apprenticeship program. Why has the minister refused to approve the apprenticeship program that 83 employers are

seeking and that Conestoga College is willing to put in place?

14:50

Hon. Mr. Sorbara: The Leader of the Opposition suggested in his initial questions that General Motors consulted me directly about the lack of skilled tradesmen for its Oshawa facilities. Then he read an article about consultation with the Ministry of Skills Development. The fact is that our representations to Ottawa in respect of the lack of skilled tradesmen have fallen on deaf ears.

The Leader of the Opposition knows full well that it is the Canada Employment and Immigration Commission that makes a determination on whether or not employees can, in effect, be brought in from overseas. It is an immigration question and a determination in that area. We have reminded them about the lack of skilled workers and made every supplication we could think of to this point to suggest that they rework their Canadian job strategy so that training could go on. We will continue to do that and will ensure that training goes on in Ontario.

As for the Conestoga College situation, as the Leader of the Opposition knows the entire apprenticeship system is based on employers' demands and on employers's hiring apprentices, then the system falls into place. We have some concern with the apprenticeship system and we are undertaking a review of it.

Mr. Grossman: With regard to the minister's complaints about Ottawa, I remind him of the refrain of his leader—and this is not the question—I put it—

Interjections.

Mr. Grossman: Do not get nervous.

Mr. Speaker: Final supplementary.

Mr. Grossman: We will get a chance later.

Let me refer the minister to the question he did not answer with regard to the apprenticeships at Conestoga. I have here a letter dated October 2 and addressed to the minister from Delta Enterprises, Sarnia, on behalf of the 83 employers. They say that in late May or early June 1986 Conestoga sent a curriculum to his department for approval. When I last talked to them, about a week ago, they had heard nothing yet. They have been trying to expedite approval of this program, as they anticipated having a class of electric motor repair apprentices in February.

Everything is in place—the people willing to take the apprentice program, the employers willing to hire them and Conestoga willing to run the course—but the minister sits on it and does not

approve apprenticeship programs. Stop complaining to the federal government; stop complaining here; and stop allowing people to advertise over here. When is the minister going to approve the apprenticeship program?

Hon. Mr. Sorbara: The Leader of the Opposition reminded me of a refrain. Let us remind the people of Ontario about yesterday's refrain, when a simple motion took 45 minutes to determine, while the bells rang, to see whether we could vote on a committee report. Let us talk about that refrain. Let us see who is getting things done and not getting things done.

Interjections.

Mr. Speaker: Order.

PENSION FUNDS

Mr. Rae: My question is to the Premier. It concerns information we have just received about the Ontario Hydro pension plan. Can the Premier comment on the fact that the Hydro plan currently has a surplus of \$370 million, which is projected to grow to \$690 million under some revised accounting practices to be implemented in January, 1987? As the Premier will note, these accounting practices apply to surpluses right across the province and are going to increase the amount of so-called pension surpluses astronomically in the next few months.

Can the Premier comment on the facts that, as a result of this so-called surplus, Hydro will not be making any contributions to the plan for 1986 or for 1987 but its employees will continue to have to contribute their share, and that the plan contains no indexing provisions whatsoever. Ontario Hydro is refusing to give its employees the right to share with it the management of the plan. How does the Premier feel about these facts, particularly in the light of what is happening with respect to Roderick Lewis?

Hon. Mr. Peterson: I do not see a connection between the two, but I understand the member's point. The answer to the member is that I am not in a position to comment, because I do not know the facts he has shared with the House today. I assume they are accurate, but I will certainly attempt to verify them in the next little while, if he would like me to.

Mr. Rae: The Premier may see no connection, but I think the public does. The public sees a raw deal and knows a raw deal when it sees one. They see employee after employee being ripped off by pension plan after pension plan and the government of Ontario buying out somebody with a \$220,000 annuity and an increase of his pension

indexed for life. That is what they see and they say it stinks. They know it stinks and the Premier knows it stinks, and that is why he is having to renegotiate the deal.

Mr. Speaker: What is the member's supplementary?

Mr. Rae: Can the Premier comment on the fact that as a result of the accounting changes, of which he will be aware, the amount of surplus in Ontario will grow by billions as of January 1987? Instead of applying to withdraw a surplus, company after company simply will not be making contributions to the plan, a kind of withdrawal by the back door.

Can the Premier tell us whether he intends to do anything to ensure that employees can get some control of these funds, that they can be guaranteed some degree of indexing for these funds, some provisions for early retirement and some assurances that there will be control of these plans by workers and not control by employers of surpluses amounting to billions of dollars in Ontario?

Hon. Mr. Peterson: My honourable friend opposite would be the first one to stand up and criticize the government if Hydro rates went up more than he felt they should. I do not necessarily see some of the connections he wants to draw in this House. In the circumstances, for example, I see more of a connection between the pension fund of Ian Deans and Mr. Lewis than I would with Hydro.

The issues the member addresses in his broad, sweeping question are ones that are being addressed by this government. He addresses the question of employee participation in the administration of the funds, and that is a very legitimate point he makes. It is something that has concerned me in the past, as has some sort of inflation protection.

He has criticized the fact—and I am not aware of the details—that Hydro is not making a contribution this year because of a surplus. Obviously, what he is looking at is a situation where the various interests are balanced to protect the integrity of the pension funds and not bankrupt companies that are making these contributions.

I have not directed Ontario Hydro, and I do not believe the Minister of Energy (Mr. Kerrio) has, on how much to contribute to the pension fund, and I have no accurate up-to-date information on the integrity of the fund. However, the broad questions the member addressed in his question are being addressed at present by the minister and others in the government. We hope in the near

future there will be legislation coming forward on which the member will have a chance to comment.

Mr. Rae: If a topping-up of his pension and a guaranteed indexing for life are good enough for Roderick Lewis, why are they not good enough for every single worker in Ontario?

Hon. Mr. Peterson: I am not trying to defend the Roderick Lewis situation.

Mr. Rae: It just fell out of the sky.

Hon. Mr. Peterson: Mr. Speaker, why would the member have put the question? I think the appropriate question would be this: if a guaranteed job for life is good enough for Roderick Lewis, why is it not good enough for everybody else in the province? I would love to see that for everyone, but my honourable friend opposite knows the insecurity of any particular path one chooses in life. We do not have the situation that we have guaranteed jobs for life in Ontario.

Mr. Rae: The expert on the double standard.

PAY EQUITY LEGISLATION

Mr. Rae: I would like to ask the Premier a question with respect to equal pay. Yesterday we had the government rattling its sword with respect to withdrawing legislation on rent control. We have had the Attorney-General (Mr. Scott) and the Minister of Labour (Mr. Wrye) doing the same with respect to Bill 105 on equal pay.

15:00

I want to ask the Premier a particular question about hospital workers. He may be aware that an award came down last week from Kevin Burkett, the arbitrator, with respect to 28,000 hospital workers. It specifically did not address the question of equal pay. Housekeeping aides now are earning \$2,600 a year less than cleaners. The arbitrator said he would not address the question of equal pay because he had been told that legislative action was coming before January 1987 with respect to hospital workers.

If that is the case—and that is what the arbitrator believes—why has the government threatened that if hospital workers are covered by Bill 105 the government will withdraw the legislation?

Hon. Mr. Peterson: I do not know Mr. Burkett. I do not know who conveyed that information to him. I cannot be responsible for the things that individual arbitrators around this province think. Arbitrators make a lot of decisions on the basis of things they think they know or things they do not know, but do not ask

me to justify the decisions they make or may not make.

Mr. Rae: I am not asking the Premier to justify what an arbitrator does; I am asking him to justify the point-blank refusal of his government to include hospital workers, municipal workers and nursing home workers under the only piece of legislation we have seen in this Legislature with respect to equal pay. Why has he cut those people out? Why are they not being included so they do not have to go on their hands and knees to arbitrators or go on their hands and knees in collective bargaining to get the kind of equality they deserve in Ontario?

Hon. Mr. Peterson: Some people like to take their cases to arbitrators and believe in the collective bargaining system. To answer the member's question specifically, the government has a definite plan on how to move ahead with the question of pay equity in the public and private sectors. As the member knows, it is an enormous new change. We believe it has been thought out carefully in terms of the timetabling and the inclusion at various times along the road. He obviously disagrees with that timetable, but I believe he at least has to have respect that the government is addressing these issues. They are complex. Wide consultations are necessary and required, and we are going ahead with that, as we said we were some time ago.

Mr. Rae: If the Premier wants to talk about respect, perhaps after yesterday and his comments on rent control and the comments that have been made on equal pay, he and his party ought to reflect on the respect they should have for the democratic will of this Legislature with respect to legislation that is before it.

If amendments are moved in committee that will extend the legislation to include hospital workers, is it still the position of the government that it will pull Bill 105?

Hon. Mr. Peterson: Obviously, we are very interested in the deliberations of this House and every piece of legislation that comes before it. We hope members will act in a responsible and constructive way in the discussion of all those matters that come before the House.

My honourable friend opposite, in the last few weeks, has seen examples of groups of legislators who change their minds on various things, who bring in second and third, perhaps even third and fourth, opinions on things. This House works well only if everyone has the same sense of responsibility for the outcome, and sometimes I do not see that in the opposition.

CONFLICT OF INTEREST

Mr. Pope: I want to ask a question about responsibility. I want to address my question to the Premier with respect to the matter of the conflict-of-interest guidelines.

We have now seen, as has been revealed publicly lately, the study of Mary Eberts. We have seen the work of Blenus Wright. We have seen the review of John Robinette. We have seen the work of the standing committee on public accounts. We have seen the Blake, Cassels and Graydon report. We have seen the report of the standing committee on the Legislative Assembly. We have seen the Aird report, and we are now about to have another Legislative Assembly review of the Aird report. All are accompanied by the Premier's unique interpretation and media hype over his perspective of the conflict-of-interest guidelines.

In the light of this dance of the eight veils the Premier has gone through during the past six months, are there conflict-of-interest guidelines in place and is he accepting his responsibility for their administration and enforcement?

Hon. Mr. Peterson: The answer is yes, and I should tell the honourable member opposite that the government is working at the very moment on a new act that I hope will very shortly be brought in front of this Legislature. It will encompass a number of the suggestions of Mr. Aird, put them in statute form and bring in an independent arbiter. That legislation will encompass all members of this House, so we will never have again some of the vagaries that have plagued us in the past.

Mr. Pope: If the weakened 1985 guidelines that this Premier put in place are now enforced, if the Premier is saying he is responsible for the administration and enforcement of those guidelines today, can he tell me why there have been to date no amendments, new filings or disclosures on the basis of the Aird report?

Hon. Mr. Peterson: If the honourable member will check with the Clerk, I think he will find those have been done.

SEVERANCE PAY SETTLEMENT

Mr. McClellan: I have a question about yet another example of this Liberal government's penchant for squandering taxpayers' money in platinum handshakes. I ask the Premier whether he recalls that the salary of the former president of the Urban Transportation Development Corp., Mr. Foley, in 1985 was \$200,000 a year, plus something called an annual deferred compensa-

tion payment of \$37,400 a year, which was referred to as a golden handcuff, and an additional bonus of up to \$40,000 per year? If he remembers all these things, can he explain why Mr. Foley was given a platinum handshake that appears to be in the vicinity of \$500,000?

Hon. Mr. Peterson: I do not think the facts are quite accurate in that situation. The member is right that Mr. Foley had a contract with UTDC as the president of that organization, and there was some deferred compensation in that contract; but with respect to the severance, as I understand it, he was given two years' severance when he was let go by the board, or they arranged for a settlement. If the honourable member checks normal commercial practices, he will find that is a normal commercial practice. I understand the board of UTDC had legal advice. They talked to McCarthy and McCarthy, and that was the settlement. That is common in the private sector.

Mr. McClellan: It is all very well to pretend that we are talking about a private sector settlement. The Premier knows full well that Mr. Foley is a civil servant. He is recorded in the public accounts at the management level of the Ministry of Transportation and Communications as far back as 1970. Is it not a fact that as a long-term public servant at the management level Mr. Foley had accrued generous pension benefits and that he was no more entitled to a \$500,000 settlement than Mr. Lewis was entitled to a \$2-million settlement?

I want to ask again, what is this weird penchant the Liberals have for squandering taxpayers' money to get rid of civil servants they do not seem to want around any more while at the same time refusing to give ordinary pensioners a fair deal in inflation protection?

Hon. Mr. Peterson: I am sure my honourable friend, for whom I have great respect and who is usually extremely accurate in his facts, wants to be accurate in these circumstances.

Mr. McClellan: If I am wrong, table the facts.

Hon. Mr. Peterson: I will be very happy to share them with the honourable member now. I believe Mr. Foley was the president of UTDC for about 13 years. I do not believe UTDC is constituted as a public service. Public servants do not make \$200,000, or whatever the member quoted him as making. He was the president of that corporation. It was owned by the taxpayers and run as a private sector company responsible to an independent board. It was not \$500,000. The member's facts are wrong. It was two years' salary, which, as I recall the facts, was

\$320,000. That was a decision made by the board. I will share all those facts with the honourable member. Those are the facts as I recall them.

15:10

LOTTERY WINNINGS

Mr. Callahan: Mr. Speaker, as you probably know, a very lucky couple in my riding won something in excess of \$11 million in a recent Lotto 6/49. I want to direct a question to the Minister of Tourism and Recreation. There was discussion some time ago about the question of capping the awards. What steps have been taken towards capping those awards?

Hon. Mr. Eakins: From time to time, many people have expressed their opinion to me that \$10 million, \$11 million or \$12 million is too much for one person to win. They have suggested, and it is my own view, that this amount should be capped below the \$10-million mark and that the balance of the prize money should be allotted to more people. Ontario has made this recommendation to the Interprovincial Lottery Corp.; however, we are only one player, and the other provinces have not agreed.

Mr. Callahan: In the light of that fact, I want to inquire whether any follow-ups are made by the ministry to look into how those winners have been able to deal with the question of their winnings.

Hon. Mr. Eakins: Any follow-up by the Ontario Lottery Corp. has shown that the funding most of the winners receive has been handled very responsibly. The lottery corporation, at its interprovincial meetings, is still discussing with its other provincial colleagues the question of capping that total amount.

IDEA CORP.

Mr. Gillies: My question is to the Minister of Industry, Trade and Technology regarding the Innovation Development for Employment Advancement Corp. pork-barrel portfolio he is now in charge of. I want to ask about a couple of the companies with close ties to the Liberal Party that received investments from IDEA.

First, in regard to Wyda Systems, I am sure the minister will be aware that the inquiry of the standing committee on public accounts found that the bulk of the \$3 million invested by IDEA in Wyda did not go to developing new technology, as is required by IDEA, but rather went to the retirement of long-term debt and was not used as was anticipated by the board of directors of the IDEA Corp.

In view of this fact, what steps has the minister taken or will he take to recover for the taxpayers of Ontario that \$3-million investment?

Hon. Mr. O'Neil: Concerning the member's question, since June 30, 1986, all things connected with IDEA Corp. have been looked after by the Ontario Development Corp. Many corrections are being made in the way things were previously handled. We are not very happy with the results the committee received and where that money was spent, and this will be one of the things that Jack Biddell will be looking into in his inquiry.

Mr. Gillies: The minister will know he is responsible for the operation of the Ontario Development Corp. Is the message he is putting out that any company that walks in with a Liberal lobbyist can get millions of dollars, no strings attached?

I want to ask the minister about the \$5 million that is going down the drain with Graham Software. Is the minister aware of this quote? One month ago, Terry Graham, the president of Graham Software, said to a periodical in this city: "My company's predicament began when Ontario's Liberal government closed the doors on the IDEA Corp. We did not know how our investment was going to be treated and we still do not know how it is going to be treated."

The negligence on the part of the minister and his officials is appalling. Will the minister take steps to recover as much of that \$5 million as possible? We do not need a whitewash inquiry. The taxpayers deserve a portion of that money back because of the minister's negligence.

Hon. Mr. O'Neil: The member actually had three questions there, but I would like to deal with the last one. I can assure him we will do whatever we can to recover any of the \$5 million that is left. His government set up the IDEA Corp. and its directors. It was his government's directions they were following. Is the member saying there should have been political interference from me as a minister?

LAYOFFS IN SUDBURY

Mr. Martel: I have a question for the Premier regarding Falconbridge and its recent announcement of the elimination of a further 275 jobs. Falconbridge was able to find \$41 million last year to invest in Norway to refine nickel from Botswana, and Falconbridge was able to find \$600 million last year to buy Kidd Creek and then immediately laid off workers. With this recent announcement and with the fact that Falconbridge has never lost money in the Sudbury area,

will the Premier now establish a committee with the powers necessary to review Falconbridge's announced layoffs and to get the financial statements of the company and its future plans so we can put an end to this practice and so these layoffs and future layoffs that might be forthcoming do not occur?

Hon. Mr. Peterson: The questions the honourable member is raising are disturbing to me and to the government. We are watching this very closely. As he knows, there has been a collapse in the price of nickel in the past 18 months. A number of operations are threatened and are being down-sized in the province. The points he makes are good points. I hope to have a meeting with Mr. James of Falconbridge in the near future to discuss some of these very questions. I appreciate the constructive suggestion the member has made. I am not in a position to adopt it today, but on the other hand I am not ruling it out.

Mr. Martel: Since the Premier is going to meet with Jesse James, is he aware that Falconbridge last year worked excess hours beyond the permit levels under the Employment Standards Act? Is he aware that Falconbridge is discontinuing any mining development in the Sudbury basin, which is the death knell for Sudbury? Based on the two last facts alone, does the Premier not think it is appropriate to establish a committee to look into it? We cannot have resource-based companies, the largest employers in the north, playing these types of games. It is going on right across northern Ontario. That is why we have 14 per cent unemployment.

Hon. Mr. Peterson: I appreciate the points the member is raising. I am concerned about the long-term plans of Falconbridge, particularly in the Sudbury basin area, as I am of other mining companies there. It is something I will be looking into personally. I will report back to the member any information I glean. Then I will solicit his advice and the advice of others on other initiatives that should perhaps be taken. I am not in a position to tell him today what those could be. It is worrisome, and the long-term viability of Sudbury is of course directly affected thereby. I am sure the member and I will have an opportunity to discuss this on many more occasions. It is a worrisome matter.

UNEMPLOYMENT IN NORTHERN ONTARIO

Mr. Pope: I have a question for the Minister of Industry, Trade and Technology. If he thinks he is going to avoid a forensic audit that was

unanimously approved by the standing committee on public accounts by the Biddell report, he should guess again; it is not going to happen.

My question is for the minister in charge of industrial development in this province. I specifically refer him to the unemployment situation in northern Ontario. The government's own figures show an unemployment rate in northern Ontario now standing at 11.3 per cent. We have unemployment rates of 12.8 per cent in North Bay, 12.8 per cent in Thunder Bay, 15.5 per cent in Sault Ste. Marie and 10.8 per cent in Sudbury. We have had specific layoffs in many single-industry communities across northern Ontario over the past six months when he has been responsible for the development of the industrial capacity of Ontario. What new programs has the minister put in place to help these laid-off resource workers?

Hon. Mr. O'Neil: As has been stated on previous occasions, we are also very concerned about the unemployment problem in the north. I do not think the member would find that any government has moved as quickly as this government to try to correct some of these problems. I might reiterate some of them.

There were the announcements by the Premier of several ministries or parts of ministries that have been moved to the north. There are the visits our ministry staff have made to the north; the appointment of an assistant deputy minister of Industry, Trade and Technology for the north; a new conference we are holding on the north, coming up in the first part of November; the new ventures program; some of the tourism programs, and many of the grants or loans that have been made out of the Northern Ontario Development Corp., which are expected to create thousands of jobs in the north.

15:20

Mr. Pope: Not one laid-off resource worker will be helped by any of the nonsense the minister just recited in the House. It is all the Premier's optics with no substance at all and no help for the single-industry communities in northern Ontario. The minister has the nerve to stand up and try to claim he has done something.

Mr. Speaker: Now the supplementary is?

Mr. Pope: While we are talking about the resource workers in northern Ontario, what has the Minister of Industry, Trade and Technology done to protect the workers in the sawmill industries of northern Ontario who are facing layoffs because of the countervailing duty case in the United States? What has he specifically done

vis-à-vis the United States and the international trade talks?

Mr. Speaker: Order. That is the third time you have asked the same question.

Hon. Mr. O'Neil: As my parliamentary assistant just asked, "What were you doing for 42 years that we got into this predicament?"

Interjections.

Mr. Speaker: Order.

Hon. Mr. O'Neil: Again, I reiterate that I do not believe any previous government has ever moved as quickly to try to do something for job creation in the north as the Premier of this government.

APPOINTMENT OF REEVE

Mr. Laughren: I have a question for the Premier. The Premier was in the assembly yesterday afternoon when I asked the Minister of Municipal Affairs (Mr. Grandmaître) to put on hold the decision to appoint a reeve in Chapleau rather than to have him appointed by the minister. The minister refused either to put the decision on hold until a delegation had come down to talk to him or to rescind the decision.

In view of the importance of this matter and in view of the fact that the new reeve, who was appointed by the Minister of Municipal Affairs, is to be sworn in tonight in Chapleau, would the Premier ask or tell the minister to do that?

Hon. Mr. Peterson: I am sorry, I missed the request. Is he asking me to tell the minister to do something or to order him to do something?

The honourable member knows me. I do not tell or order anybody to do anything; I take advice and try to develop a consensus. I will pass on the member's heartfelt remarks to the minister for his reconsideration.

Mr. Laughren: I do not know when I have seen such a patronizing and insulting attitude towards a small northern community as is being demonstrated by the minister and the Premier by appointing a reeve. Would the Premier tolerate for one moment his minister appointing a new mayor of London, Ontario, against the wishes of the community if the present mayor moved away?

Hon. Mr. Peterson: Is the member talking about the present mayor of London or the last mayor of London?

I appreciate the point the member is making. As the member knows, I was not aware of the situation. I heard the honourable minister respond yesterday that he has to consider this in the context of public policy right across the province

and that it is very difficult to deal with on an individual basis.

Given the intensity of the member's feeling—he has raised it two days in a row and he raised it in the statement period of yesterday—and the strong advice that he has, I am sure the minister, being the thoughtful, sensitive person that he is, tries to take other people's advice into consideration and then makes his own judgement.

He will hear what I am saying, he will hear what the member is saying and I am sure he will reflect on that. If he feels he should change his mind on the basis of the member's entreaties, I am sure he will do that.

NOMINATION DU PRÉSIDENT DE LA CHAMBRE

M. Shymko: J'adresse ma question au premier ministre. Le 6 septembre, dans une interview parue dans le quotidien *Le Droit*, le ministre délégué aux Affaires francophones (M. Grandmaître) a exigé qu'on remplace notre Président de l'Assemblée parce qu'il n'était pas bilingue et il a dit que le premier ministre était très ouvert à cela. Je cite ses mots: "Le premier ministre David Peterson serait sans doute 'très ouvert à cela'", à cette proposition.

Je voudrais savoir si le premier ministre et son gouvernement partagent cette expression, rendue publique par un membre du Cabinet, de manque de confiance en notre Président. Est-il vraiment ouvert à cette suggestion et quelle est vraiment sa position en ce moment?

L'hon. M. Peterson: Je veux dire au député de High Park-Swansea que je n'ai pas compris exactement sa question. Sur quelle question veut-il comprendre ma position? Quel est son problème?

Mr. Shymko: It is not my problem. When a minister demands the replacement of the Speaker and publicly asks that he be replaced because he is not bilingual, I want to ask the Premier whether that is his position. Is he going to give the Speaker the same package retirement deal as was given to the Clerk, or is he open now to the Ottawa precedent of electing a new Speaker? He is the one who should answer that; not me.

L'hon. M. Peterson: Je pense que tous les députés ici doivent être bilingues, comme le sont le député de High Park-Swansea lui-même et quelques-uns des autres. C'est une bonne chose, pas seulement pour le greffier mais également pour le Président et pour tout le monde. J'espère qu'à l'avenir, tous les députés seront capables de discuter de tous les sujets en français. Ce n'est pas une position extrême, à mon avis, parce que

comme nous le savons, le ministre a des opinions précises sur les questions qui concernent les francophones en Ontario. C'est une position que beaucoup d'autres ministres partagent avec lui. Ce n'est pas une question grave.

INSURANCE RATES

Mr. Swart: My question is to the Minister of Financial Institutions. I have here the Insurance Bureau of Canada \$12,000-advertisement from this morning's Globe and Mail headed, "It only takes a minute to see why auto insurance rates keep going up." It contains pictures of nine accidents that have taken place across Canada. In very small print at the bottom it says, "The accidents depicted did not occur at the time or place shown."

Does the minister not agree that such a self-serving ad as this is an inappropriate use of hard-pressed motorists' premiums and does he not agree that this use of phoney photos is a degree of deception like the claims/premium ratio the insurance bureaus put out and the minister repeats in this House?

Hon. Mr. Kwinter: The advertising that is done by the insurance industry has nothing to do with me at all. They are free to do as they wish. How can the member say it is deceptive advertising when they have a disclaimer in that ad telling us exactly what these pictures are?

Mr. Swart: It is in small print. I do not think they need the ad at all; they could not get a better spokesman than the minister for the insurance companies of this province.

This ad shows accidents in Ontario, Alberta, New Brunswick and Nova Scotia, which are forcing up the rates, but it does not mention Manitoba, Saskatchewan or British Columbia. Does the minister not realize they did not dare show them in those western provinces that have public plans, because rates have not increased in those provinces for two years? Why does he continue stubbornly to refuse to investigate and publicize the rates and the fairness of those plans in Manitoba, Saskatchewan and BC, which, if applied here, could save Ontario motorists between one half and three quarters of a billion dollars annually? Why does he not get out of the insurance companies' pockets and do something for the people of this province?

Hon. Mr. Kwinter: I have always tried to be accommodating to the member for Welland-Thorold; so I am going to give him that information right now. I wish he would take out his pencil so that he can get these figures straight.

Mr. Swart: I can get it myself from the insurance company where the minister got it.

15:30

Hon. Mr. Kwinter: This is the cost of insurance for a married male, aged 30, who drives to and from work and has no accident record and no traffic violations. Coverage is \$1 million public liability and property damage, \$100 deductible collision, \$50 deductible comprehensive for a 1985 Celebrity sedan. In Vancouver, the insurance would be \$618; in Kamloops, BC, \$524; in Regina, Saskatchewan, \$500, and in Winnipeg, Manitoba, \$493. In Ontario, the figures are: London, \$452; Kitchener, \$462; Ottawa, \$461, and Toronto, \$555.

Interjections.

Mr. Speaker: Order.

UNIVERSITY FUNDING

Mr. McFadden: Thank you, Mr. Speaker, for bringing the House to order.

I have a question for the Minister of Colleges and Universities. The minister is reported as having made some rather bizarre remarks at a recent meeting of university presidents dealing with the state of university financing. He is quoted in the Toronto Star as saying, "The fact is, were we to ignore post-secondary education, we might get that majority anyway." Does this remark explain why the government has failed to provide an adequate increase in operating grants to the university system?

Hon. Mr. Sorbara: I appreciate the opportunity to respond to that. Before I do, let us compare the misinformation of this member with that of the Leader of the Opposition (Mr. Grossman), who asked me a question a while ago about a program on apprenticeship at Conestoga College. Conestoga College has been asking for that program since 1981. We received the letter he referred to on October 10, and on October 14, yesterday, we approved the program.

Mr. McFadden: Mr. Speaker, on a point of order: I asked the minister a question. He did not respond to my question; he responded to an earlier question. If he is proposing to stand up to respond to an earlier question, he should have done that in his place.

Mr. Speaker: I appreciate your help. I will ask the minister to respond to the question.

Hon. Mr. Sorbara: I am sorry to divert like that. I really do apologize, but the point had to be made.

The member for Eglinton quoted a statement that was made in this context, "What about your

priorities with respect to post-secondary education?" I said our priorities are not based on crass political games. We really do have a firm, unbending commitment towards redressing the damage that has been done to our university system over a 10-year period. The record shows we have taken some very substantial steps and that there is a lot more to do. That will not get us a majority and it will not determine the outcome of the next election. There are other issues that will speak to that forum.

My comment was and is today that we are making those commitments because we really do believe them.

Mr. McFadden: The record in the Star speaks for itself.

Is the minister in his reply stating that an increase in operating grants of less than four per cent is adequate for the university system in Ontario? Is that what we are to understand from his reply?

Hon. Mr. Sorbara: Since 1985, we have taken more steps to redress problems we inherited than were taken in the previous 10 years. Look at the community college system.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Sorbara: The point is that there is much to be done. We started a building program. We started rebuilding campuses—four new buildings—for the first time in several years. We turned around the system in community colleges, which was a disaster a year and a half ago. Conestoga got its program. Is there more to be done? The simple answer is yes.

DAY CARE

Ms. Gigantes: My question is to the Minister of Community and Social Services. We do not have a lot of day care in Ontario. We do not have accessible, affordable day care. The minister has given a deadline of the end of this year to remove indirect subsidies from day care centres where fee-paying parents are able, because of indirect subsidies, to keep the cost per child down to about \$4,000 a year.

Will the minister tell us what mechanisms he has put in place to allow day care centres and families to continue in operation with child care services provided at municipal day care centres within the next 12 weeks?

Hon. Mr. Sweeney: The prohibition against indirect subsidies for municipally operated day care centres comes from the federal government; it does not come from the province. They have

indicated very clearly that they are not prepared to share funding for that particular purpose. As a matter of fact, they indicated that three years ago, and all of the municipalities that were permitting that to take place were told three years ago.

When this government took office, that was one of the problems brought to my attention. At that time, the decision had already been made to cut that off as of December 1985. I extended it for one more year, a full 12 months. All the municipalities were advised of what the situation was. We have indicated to them that we are quite prepared to work with them on an individual basis, as I presume the previous government offered. I do not know, but I presume that. We also indicated to them that a number of them have the option of increasing the income level at which they could provide subsidies, which we would support and which many of them refused to do. We have made those offers.

The other point I would like to make is that in those areas where there are indirect subsidies, there is no discrimination whatsoever as to what the income level is. In other words, a family with an income of \$20,000 would get the same kind of subsidy as the family with an income of \$50,000. The subsidy program which is offered—

Mr. Speaker: Order.

Ms. Gigantes: That response was very disordered, Mr. Speaker; you are quite right.

The minister knows that in Thunder Bay, for example, the cost for a family can go from \$17.50 a day to \$28 a day, or about \$3,000 a year, for the care of one child. What mechanisms has he put in place to ensure that those Thunder Bay facilities are going to be in operation and that the families who get care now at those centres are going to be able to continue getting care in 12 weeks?

Hon. Mr. Sweeney: Thunder Bay, like every other municipality—including one that happens to be in my own area—has had three years to put a procedure into place. We have indicated to them that they could re-examine the kinds of cost structure they are facing. We are quite prepared to sit down with them on an individual basis and work out a solution to their problems. We have told them that, but we are not going to continue the indirect subsidies.

PETITIONS

USE OF LOTTERY FUNDS

Mr. Hennessy: I have a petition addressed to the Premier and the Treasurer of Ontario. It reads as follows:

"I agree that if the proposed changes to the Ontario Lottery Corporation Act are carried out, there could be a serious depletion of financial resources to community, recreation, sports, fitness and cultural groups and agencies, as well as a depletion of the quality, quantity and variety of opportunities people have come to enjoy and expect, that section 9 of Bill 38 continue to designate the share of lottery revenues to recreation, sports, fitness and culture and that the government of Ontario should form a standing committee to hear the concerns of the municipalities, agencies and organizations regarding this important issue."

The petition is signed by 40 people.

15:40

NATUROPATHY

Mr. McKessock: I have a petition signed by 146 residents of the Palmerston-Harriston area, which reads as follows:

"To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

Mr. J. M. Johnson: I have a similar petition.

"To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

This petition is signed by 72 people who visit the office of Dr. Fred Wilson and Dr. Daphne Rappard, 410 St. Andrew Street West, Fergus, in my riding, Wellington-Dufferin-Peel.

INSURANCE RATES

Mr. Jackson: I have a petition that reads:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Provisions in the Ontario Human Rights Code currently allow insurance companies to discriminate with respect to rate structure on the basis of gender. This practice is highly detrimental to young male drivers and does not conform to the spirit of the Human Rights Code. It also appears to violate the equality provisions of Canada's Charter of Rights and Freedoms. Therefore, we would respectfully petition the government of Ontario to delete the provisions in the Ontario Human Rights Code in the interests of equality and justice."

This petition is signed by 20 students from the grade 13 law class of Lord Elgin High School, who are in attendance in the chamber today.

CHAMPS D'ÉPURATION

Mr. Villeneuve: I have a petition signed by 52 interested people in the area of Crysler, Ontario, which reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

Nous, les soussignés, désirons aviser les membres de l'Assemblée législative de la province de l'Ontario de notre opposition à leur choix éventuel du lot 17, concession 10, Canton de Finch, pour fin de champs d'épuration pour le village de Crysler.

JAMES AULD PROVINCIAL WATERWAY PARK

Mr. Runciman: I wish to table a petition addressed to the Lieutenant Governor in Council and the Minister of Natural Resources. There are more than 100 names of individuals indicating their opposition to the proposed James Auld Provincial Waterway Park.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON THE OMBUDSMAN

Mr. McNeil from the standing committee on the Ombudsman reported the following resolution:

That supply in the following amount and to defray the expenses of the Office of the Ombudsman be granted to Her Majesty for the fiscal year ending March 31, 1987:

Office of the Ombudsman program, \$5,261,700.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Runciman from the standing committee on public accounts presented the committee's first report on the allegation of conflict of interest concerning Elinor Caplan, MPP, and moved the adoption of the recommendations contained in the report.

Mr. Runciman: The report I am now presenting to the House was tabled with the Clerk of the Legislature on Thursday, September 18, 1986. It represents a long summer of dedicated work on the part of all members of the standing committee on public accounts. It is never at the best of times an easy responsibility to sit in judgement on such matters when they relate to a fellow member of the Legislature. I believe our hearings and conclusions show the care and thoughtful reflection members brought to their task.

I would like to thank the following committee staff for their able assistance during the proceedings: John Bell, the legal counsel; Martin Peters, the assistant legal counsel; Douglas Arnott, the clerk of the committee, and Helen Burstyn Fritz, the research officer.

In accordance with the request of the committee, and pursuant to standing order 32(d), I request that the government table a comprehensive response to the recommendations contained in our report.

Mr. Speaker: Mr. Runciman moves the adjournment of the debate. Is it the pleasure of the House that the motion carry?

Mr. Harris: No.

Mr. Speaker: All those in favour will say "aye."

All those opposed will say "nay."

In my opinion, the ayes have it.

Motion agreed to.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Runciman from the standing committee on public accounts presented the committee's second report on the allegation of conflict of interest concerning Elinor Caplan, MPP, and moved its adoption:

Mr. Runciman: The committee's second report with respect to the alleged conflict of interest concerning Elinor Caplan, MPP, was tabled on Friday, October 3, 1986. It is an

attempt to provide an explicit statement of findings and conclusions based on evidence received and summarized in our first report.

Mr. Speaker: Mr. Runciman moves the adjournment of the debate. Is it the pleasure of the House that the motion carry?

Mr. Epp: No.

Mr. Speaker: All those in favour will say "aye."

All those opposed will say "nay."

In my opinion, the ayes have it.

Motion agreed to.

MOTIONS

TRANSFERRAL OF ESTIMATES

Hon. Mr. Keyes moved, on behalf of Hon. Mr. Nixon, that the estimates of the Ministry of Transportation and Communications and of the Ministry of Industry, Trade and Technology be transferred from the standing committee on resources development to the standing committee on general government, the estimates of the Ministry of Transportation and Communications to be considered first.

Motion agreed to.

Hon. Mr. Keyes moved, on behalf of Hon. Mr. Nixon, that, in the committee of supply, the estimates of the Ministry of Housing be considered following the estimates of the Lieutenant Governor, Premier and Cabinet Office; and that the estimates of the Ministry of Natural Resources be transferred from the committee of supply to the standing committee on general government, to be considered following the estimates of the Ministry of Industry, Trade and Technology.

Motion agreed to.

Hon. Mr. Keyes moved, on behalf of Hon. Mr. Nixon, that the estimates of the Ministry of Revenue and the estimates of Management Board of Cabinet be transferred from the committee of supply to the standing committee on finance and economic affairs, the estimates of the Ministry of Revenue to be considered first.

Motion agreed to.

15:50

COMMITTEE SUBSTITUTIONS

Hon. Mr. Keyes moved, on behalf of Hon. Mr. Nixon, that substitutions be made to the membership of the standing committees as follows:

Standing committee on administration of justice: Mr. Callahan for Mr. Offer, Mr. D. R.

Cooke for Mr. D. W. Smith, Mr. Rowe for Mr. Villeneuve;

Standing committee on finance and economic affairs: Mr. Cordiano for Mr. Henderson, Ms. Hart for Mr. Ward, Mr. Taylor for Mr. Barlow;

Standing committee on general government: Mr. Fontaine for Ms. Hart, Mrs. Grier for Mr. Allen, Mr. Lane for Mr. Cousens, Mr. McKessock for Mr. McGuigan, Mr. Sargent for Mr. Reyecraft, Mr. Sterling for Mr. Dean, Mr. Swart for Ms. Bryden;

Standing committee on government agencies: Mr. Ferraro for Mr. Poirier, Mr. Grande for Mr. Swart, Mr. J. M. Johnson for Mr. Lane, Mr. Mitchell for Mr. Rowe, Mr. Ramsay for Mr. McKessock, Mr. Sargent for Mr. South;

Standing committee on the Legislative Assembly: Mr. Dean for Mr. J. M. Johnson, Mr. Villeneuve for Mr. Sterling, Mr. Warner for Mr. Laughren;

Standing committee on the Ombudsman: Mr. Henderson for Mr. Mancini;

Standing committee on public accounts: Mr. Barlow for Mr. Gregory, Mr. Davis for Mr. Harris, Mr. Mancini for Mr. G. I. Miller, Mr. Ramsay for Mr. Ferraro;

Standing committee on regulations and private bills: Ms. Bryden for Mr. Charlton, Mr. Fontaine for Mr. Cordiano, Mr. Poirier for Mr. Ferraro, Mr. Pouliot for Mr. Morin-Strom;

Standing committee on resources development: Ms. Caplan for Mr. Mancini, Mr. Gordon for Mr. Taylor, Mr. McGuigan for Mr. McKessock, Mr. Morin-Strom for Mr. Ramsay, Mr. South for Mr. Poirier, Mr. Cordiano for Mr. McGuigan for Bill 51, Mr. Epp for Mr. Knight for Bill 51, Ms. E. J. Smith for Mr. South for Bill 51;

Standing committee on social development: Mr. Cousens for Mr. Davis, Mr. Grande for Mr. Reville.

Motion agreed to.

REFERRAL OF REPORT

Hon. Mr. Keyes moved that the Aird report on ministerial compliance with conflict-of-interest guidelines and recommendations with respect to those guidelines be referred to the standing committee on the Legislative Assembly for review and report.

Motion agreed to.

INTRODUCTION OF BILLS

LIQUOR CONTROL AMENDMENT ACT

Mr. Shymko moved first reading of Bill 133, An Act to amend the Liquor Control Act.

Motion agreed to.

Mr. Shymko: In the light of the very important report of the Royal Commission of Inquiry into the Testing and Marketing of Liquor in Ontario, this bill has great significance in that it will amend the Liquor Control Act to request that all chemical ingredients contained in spirits, wines and beer be listed on the labels of these products by the manufacturers.

CITY OF WINDSOR (WINDSOR-DETROIT TUNNEL) ACT

Mr. D. S. Cooke moved first reading of Bill Pr34, An Act respecting the City of Windsor and the Windsor-Detroit Tunnel.

Motion agreed to.

ITALO-CANADIAN CENTENNIAL CLUB ACT

Mr. Polsinelli moved first reading of Bill Pr30, An Act to revive Italo-Canadian Centennial Club.

Motion agreed to.

TABLING OF INFORMATION

Mr. Bernier: Mr. Speaker, before the orders of the day, I believe it is for the third time now that I have brought to your attention that in December 1985 I tabled question 141. An interim answer was tabled on December 20. Further information noted that I would receive the answer by February 28, 1986. It has now been eight months and I have still not received an answer to the question. I plead with you to use your good offices to lean on that incompetent bunch over there at least to give me some response. They do not answer letters and they do not answer questions. My privileges are being abused.

Mr. Speaker: That was a very interesting speech. It sounds very similar to the point raised a little earlier today. I hope the acting government House leader will take that to the appropriate minister.

ORDERS OF THE DAY

SMALL BUSINESS DEVELOPMENT CORPORATIONS AMENDMENT ACT

Mr. Epp, on behalf of Hon. Mr. Nixon, moved second reading of Bill 24, An Act to amend the Small Business Development Corporations Act.

Mr. Epp: This bill, An Act to amend the Small Business Development Corporations Act, contains proposals designed to remove some of the red tape in the administration of the program

by reducing program funding from three separate-purpose funds to only two funds, being the northern and eastern Ontario incentive fund and the general fund. In making this change, new enterprise funding and the general fund will be merged and the election requirements with respect to investments by ordinary small business development corporations in new enterprises will be removed.

The bill contains administrative amendments designed to provide for greater clarity in the provisions resulting from the October 1985 budget and required as a consequence of the enactment of the Business Corporations Act, 1982, and the Family Law Act, 1986. For example, a new definition of "spouse" is provided to conform to the revised definition contained in the Family Law Act, 1986.

In addition, the bill includes certain provisions outlining the minister's right to withhold release from the SBDC trust accounts where the SBDC is in breach of the act or the corporation is conducting its business in a manner contrary to the spirit and intent of the act or for the purpose of obtaining a grant or tax credit to which it would not otherwise be entitled.

16:00

The budget proposed an extension of the outflow activities qualifying for a small business development corporation investment to the service sector. This expansion to the program will be implemented through amendments to the regulations to the act, as opposed to the act itself.

In summary, all amendments contained in the bill will be effective the day following royal assent to the enabling legislation.

The Deputy Speaker: Thank you. Are there any questions or comments? There being none, the member for Cambridge.

Mr. Barlow: Thank you. Our party will generally be supporting this legislation. After all, we did some very effective programming. It was introduced by the previous government, has been extremely successful in helping small businesses establish in this province and will be expanded with this additional funding that will become available through the SBDC program.

I do not have a date on it, but about three years ago, I believe, the previous government requested a report from Clarkson Gordon to bring forward some recommendations on the success of the SBDC program. In the executive summary, the findings and conclusions of the evaluation of the small business development corporations program state: "The small business development corporations program is successfully meeting its

objectives of supporting small businesses in Ontario through the encouragement of new equity investment by the private sector. The program is well received by participants, is lauded by major small business organizations, and the efficient administration by the Ministry of Revenue contributes to its success."

The report goes on to say on the third page of the executive summary, "Given the success of the SBDC program and small business's need for equity investment, we recommend that the Ontario small business development corporation program be continued."

It also made several recommendations about expanding the program in some areas. We are pleased the government has recognized some of the recommendations that had been brought forward. We support the gist of these recommendations.

The expansion of the program into the service sector, including such areas as computer services, architectural engineering and other scientific services and services ancillary to manufacturing, such as electroplaters, foundries and milling operators, is a good direction.

Other areas could probably be looked at. I have often wondered about a sector such as the construction field. There is no form of government assistance for the contractors to buy some of the pretty expensive equipment they are involved in purchasing. This is an area that could be considered at some point. I am thinking of bulldozers, cranes and many of these very expensive pieces of equipment. Manufacturers have the Ontario Development Corp. to go to, and the Federal Business Development Bank is assisting manufacturers and also now this expanded area. However, the construction sector is still left without any means of government assistance when it comes to expanding some of its programs and businesses.

In the past, I expressed concern about the decrease in the incentives for central and southwestern Ontario, down to the 25 per cent level from the previous amount of 30 per cent. When it was at 30 per cent, it made that many more dollars available to all the residents of Ontario. I have no quarrel with recognizing the need and the unemployment situation in northern Ontario. I do not quarrel with that at all. It is significant and should be recognized, but not by taking away from the balance of the province, central and southwestern Ontario, when in some areas of western Ontario there is still a problem recovering from the recession.

I am thinking of areas such as Sarnia and down through there. My colleague the member for Sarnia (Mr. Brandt) would be speaking on this, but he was unable to attend today. I want to put in a plug for him, so we can consider why there had to be that decrease for the balance of Ontario. Perhaps the member can address that. I realize this is not the time to be taking advantage of that, but it is a time when it has to be considered. Perhaps the member can take it into consideration.

I have problems understanding the gist of the whole program or some areas of the program. The member for Waterloo North (Mr. Epp) might be aware of my Orders and Notices question. I cannot claim, like the member for Kenora (Mr. Bernier), the record of eight months for failure to answer a question, but four months ago, on June 10, I had an Orders and Notices question to the ministry asking the Minister of Revenue (Mr. Nixon) to provide the exact amount of budgeted money used by the small business development corporation program during the period from October 24, 1985, to May 13, 1986, specifically by regions.

What I was after at that time and what I still want to hear about is how much money was in the program for the various regions and how much of that money was used. I do not think that should be very difficult to dig up. I realize the Minister of Revenue has other responsibilities as Treasurer, and now he has a couple of other responsibilities added to that, but I do not think he is the fellow who has to go to the books and find out. He has staff who can assist him.

Perhaps the member can ask the Minister of Revenue on his return whether he can speed up an answer to that question. It would help me and others to understand how much of this program money has been used. The dates I chose were specifically between the two budgets. That could be expanded, and I would be glad to receive the information. If it were even on a fiscal-year basis, say, for the past three years, it would give some further assistance, but that was not part of my Orders and Notices question.

I noticed a recent press report in which the Premier (Mr. Peterson) suggested that a further extension that could very well be considered is into the cultural industry for film makers, which is a fledgling industry that requires some assistance. My concern, however, is whether this is going in the same direction as the one for which SBDCs were instigated or into something entirely different from the area of manufacturing and into another service sector. Perhaps the member

can comment on whether that is a plan for the future of this program, to move into other areas away from those that have traditionally been accepted as the criteria for the program.

16:10

About the only other point I would like to bring forward, and perhaps receive some comment on, is the total amount of dollars involved in the program. It was in the previous fiscal year, and is again in this fiscal year, \$30 million. I realize where some of the money is coming from. Some of it is coming from, as I pointed out before, the lower grants allocated to central and southwestern Ontario, or the balance of Ontario other than the east and north. Is it fair to take that away from this part of industrial Ontario and not increase the budgeted amount? For the 1985-86 fiscal year, it was \$30 million and for the 1986-87 fiscal year it is again only \$30 million.

Perhaps I could understand the answer to that question a bit if I had an answer to my question in Orders and Notices. Unfortunately, I do not. Perhaps that will come; perhaps the member has that in his back pocket and can read it off to me a little later when he has a chance to reply.

That is the extent of my remarks on this very successful program. We will certainly be supporting it but we have reservations on some of the recommendations that have been made.

Mr. Foulds: I rise to indicate our support for the legislation. I was going through both the previous budget from the fall of 1985 and this budget. Certainly, there has been some emphasis by the present government on small business. It is an area in which they feel comfortable and in which they are trying to steal from the traditional territory of the former Liberal government, which went under the name of the Progressive Conservative government of Ontario for 42 years.

There are a couple of points I want briefly to make on this second reading. We should make the point that it will be necessary to have this bill in clause-by-clause debate. As I was preparing for these budget bills during the past several weeks, if not months, since the budget was announced, it occurred to me to ask for a compendium of information on budget bills. Interestingly, I was told these were not forthcoming and that the budget itself was considered the compendium, which seemed to me to be a reasonable answer until I did actually receive just yesterday a compendium for the amendments to the Assessment Act. I found the detailed notes in that compendium quite enlightening in terms of being able to discuss the legislation intelligently.

I appreciate receiving the compendium on that bill, but I think it would be a good thing for the officials of the Ministry of Treasury and Economics and the Ministry of Revenue to prepare a compendium on budget bills, not merely for the Treasurer but for all members of the Legislature, so that they could be discussed intelligently. Some of the information we have in the budget itself, including the appendices that describe the measures taken on the individual bills, are themselves suitably vague; that is, you will see from time to time reference in those appendices to see the actual legislation for further detail.

When one is trying to comb through the original bill, the amendments that have been passed just a year ago and the amendments currently before us, one does need to be both a taxation expert and a lawyer to be able read that intelligently and with assurance that one may actually understand what the bill is doing.

I suspect one of the reasons we do not get compendiums on individual tax bills is that perhaps the officials do not know what they are doing. I entertained that for a while and I rejected that. They know what they are doing, but they do not want the minister and the rest of us to know what they are doing, or if they do know what they are doing, it is so complicated it is difficult to explain. Every tax measure should be simple and direct enough that one can explain it.

I would make a plea, frankly, that the budget is not good enough as a compendium for tax bills and that in this Legislature in the future we have ministry officials develop a compendium on individual tax bills ahead of time, partly so the newly founded standing committee on finance and economic affairs can take its responsibility seriously and discuss in a prebudget period, as I am given to understand the Treasurer wants us to discuss, some measures with a certain amount of background and intelligence.

Members will know that so far I have been speaking directly on the principle of this bill. There is actually a second point I want to make. It is somewhat difficult to speak on the principle of most of the tax bills we will be seeing this afternoon because they do a hotchpotch of things in relation to a number of already existing factors.

Therefore, let me start point number three. We in this party support the encouragement of small business. The Small Business Development Corporations Act and its amendments appear to take some steps in that direction. The question I would like the parliamentary assistant to address is: Why is it actually necessary to spell out in the

legislation those activities that qualify for small business development corporation grants and incentives?

Why was it necessary last year to add to the list of certain business activities—computer services was added this year—a number of services which were ancillary to the mining and forestry industries, such as transportation, contract drilling, machinery equipment leasing, and so on. Why this year is it necessary to add computer services, architectural engineering and other professional scientific and related technical services, etc.?

In other words, would it not be simpler to define the kind of corporation in terms of its size rather than in terms of sectoral activity? It would seem to me that what one is doing is prohibiting entrepreneurial spirit, by actually having a list of activities that are specifically designated eligible for these grants.

I find it kind of ironic that it is a socialist who has to make the argument for entrepreneurial spirit, but they are denying—

Mr. Runciman: Are you a socialist, Jim?

Mr. Foulds: I am certainly a socialist. The member may find the term contradictory but I am a true-blue socialist, a red-blooded socialist, if one likes.

Why is it necessary to designate the actual activity? Why is the government not able simply to define in legislation a small business corporation, which would then be eligible, whether it is in film making, basket weaving, some creative activities in the arts, such as genuine tapestry weaving, or in the new computer services software and so on? As we get into this century and provide more services and more business activity connected with culture and the arts, we are going to have to keep adding things that should be legitimately in the legislation. I raise that in terms of the principle of the bill.

16:20

The next principle is one that is in this legislation. While there is discrimination in favour of the north and east in terms of the amount available—the north and the east are eligible for a 30 per cent amount—the rest of the province is eligible for only 25 per cent. That is achieved by an actual reduction in the amount available to the rest of the province. Thirty per cent used to be available across the province, but the government has displayed negative discrimination; it has maintained that level at 30 per cent for the northern and eastern funds but reduced it to 25 per cent for the rest of the province. That seems to me to be going backwards.

The government has said to small business corporations in the province as a whole, "We will give you incentives, etc., up to only 25 per cent." That seems to be a backward step. It may be necessary to do that in terms of the funds available because the government has also limited the amount of funds at \$30 million, as it was in the previous year, and therefore it might be able to give more grants and incentives to more companies with the amount available; but it is, if I may say so, a bit of sleight of hand. The government may be increasing the number of grants and incentives to small businesses—that is, the number of small businesses affected may be greater—but it is not increasing its help to small businesses, because the total amount still has that \$30-million ceiling.

Those are some of the questions I have on the principle of the bill. As I said, we will be supporting it. There may be other specific questions when we get to clause-by-clause consideration, which I assume will not be today because I gather we want to get through all the budget bills on second reading first. It gives the members of the Legislature and anybody who is astute and committed enough to read these debates some idea that the explanatory notes alone are longer than the bill itself and that these notes are about as complex as the amendments themselves. That is one of the reasons budget bills almost inevitably are required to go into committee, whether we like it or not.

Mr. Gregory: It is a pleasure for me to have a chance to offer one or two comments. I must admit I cannot be too critical, because this plan is one that I had the pleasure of administering for a number of years. Of course, the small business development corporations plan was instituted some years ago by a previous Treasurer, the member for Muskoka (Mr. F. S. Miller), and since that time it has been an increasing success story. It has been copied extensively by other provinces and other areas of North America. I believe some provinces have copied it almost word for word. It has been a success story over the years.

As our critic the member for Cambridge (Mr. Barlow) has said, we will be supporting this bill, but I am prompted to raise a couple of points. There is an old saying that I think comes from the Ottawa Valley: "If it ain't broke, don't fix it." The plan was not broken; it was working very successfully. Were it not for the breakdown in funding between northern and eastern Ontario and southern and central Ontario or southern and western Ontario—whatever—all the money would

invariably have been spent every year, as indeed it was before that breakdown.

I agree—I am very quick to agree—that special attention should be paid to northern Ontario. Perhaps a good share of the funding should go to northern and eastern Ontario to promote growth of industry or whatever. In 1984, our government made recommendations to improve the program to include services and transportation. It is nice to see that the present government is going part way with the inclusion of services.

The member for Port Arthur (Mr. Foulds) touched on one of the things that bother me about this. It sounds like smoke and mirrors. It tries to appear as if more money is being granted to the program, but in fact this is not so. Under this bill, through a reduction of the bonus from 30 per cent to 25 per cent in southern, central and western Ontario, the government has penalized investors where the program has been so successful, while making it appear that it is giving extra to northern and eastern Ontario to reward them and to encourage them to promote business.

If this were so, I would be totally in favour of it. The fact of the matter is that we are leaving northern and eastern Ontario exactly the same in terms of the 30 per cent bonus to investors in small business development corporations in northern and eastern Ontario and we are penalizing future investors in southern and western Ontario by five per cent.

When we break down the amount of money budgeted—I believe it was some \$30 million in the past—into the spread between what was designated for northern and eastern Ontario and what was designated for central and southern Ontario, 100 per cent of the funds was used up in southern Ontario and about 75 per cent of the funds, or perhaps even less, was used up in northern and eastern Ontario.

It is safe enough and perhaps good politically to leave the 30 per cent bonus in force in northern Ontario where all the budget funds are not being used, but to reduce that where they are being used creates a few more opportunities of a lesser quality for people and appears to create a lot more opportunities for many more SBDCs to come into force. It would have been far simpler if the government had taken the opportunity at least to attempt to keep pace with the growth in the economy. If somebody had not taken my notes, I would have been able to quote figures, but they seem to have disappeared; there they are.

If the government had taken the position that it should try to keep pace with the increase in overall government expenditures, for example,

which is 7.8 per cent, if it had even attempted to do that, it would have been doing something by increasing the amount of budget allocated for this. If it had increased the budget for the SBDC program in the same fashion it increased the budget for the Office of the Premier, which was more than 300 per cent, we would have had a tremendously successful program. Even the parliamentary assistant is smiling about that one; he probably realizes the truth of my words. Lord knows, even the budget for the Premier's office would have added quite a few more SBDCs in Ontario.

When the government finds a winning program such as this, something that is tremendously successful, instead of tinkering with it, why does it not do something constructive by saying, "This is the way we are going to promote small business without any partisanship at all"? All of us in this House have to admit the tremendous success of this program. It was outlined by the member for Cambridge, who stated that even the Office of the Provincial Auditor, in reviewing the program, found it was a tremendous success.

16:30

Mr. Callahan: Maybe the government should not have put in research money for the opposition. That would have been a good way to save too.

Mr. Gregory: I am glad the member for Brampton (Mr. Callahan) is here. I was probably going to run short of things to say, but now that I am assured the member for Brampton is here, no doubt I will have lots of things to retort to. The member should not stand back; he should come forward with his inane comments.

I take a certain amount of pride in this program and in the fact that I had something to do with it. I am not trying to downgrade it in any way. It just seems to me that if the government has a successful program—and, Lord knows, the government has demonstrated it has an awful lot that are unsuccessful, such as the Innovation Development for Employment Advancement Corp., which it has made a botch of—that is running well and is on a roll, why does the government not run with it?

Instead of reducing the budget of the small business development corporations program to \$25 million from the \$30 million in previous years—I understand that is in the budget—why would the government not increase that to \$50 million and encourage people? It never had any trouble using up that entire budget until it got around to setting aside so much for the north and so much for the south. If it feels that what it has

assigned to northern and eastern Ontario is adequate for their needs—in other words, it will not hit that—then all right. If it knows it will have an overrun in southern Ontario, why not put some more money into the thing and encourage additional small businesses in southern and western Ontario?

Incidentally, I understand the economic situation in southwestern Ontario is becoming not much different from that of some parts of eastern Ontario. The unemployment rate in southwestern Ontario is becoming not much different. Why do we not call a spade a spade and say, "All right, let us have central Ontario and then all the rest," and put any kind of money into all the rest the government wants to? We should not penalize by shortening the budget in central Ontario, where the action has been up to now.

What I am trying to get at is, do not try to benefit one segment of Ontario by penalizing the others. Even the member for Port Arthur agrees with that. When he and I agree, it is time for me to re-examine my position. Nevertheless, I agree with him on this one. Even the member for Brampton might see some merit in that suggestion: Brampton and Mississauga are realities too; we are even outside the Metro Toronto border. I expect that gives us some kind of distinction, because there are very few of us left.

Mr. Philip: The Liberals just want to cover Mississauga with a megabomb.

The Deputy Speaker: Order. Please do not respond to the interjections, whether or not you can understand them.

Mr. Gregory: Was that an intelligent comment? I do not know.

The Deputy Speaker: Please do not respond to it. Just carry on—

Mr. Gregory: If it is, I would be very surprised since it came from the member for Etobicoke (Mr. Philip).

The Deputy Speaker: Please carry on with the debate.

Mr. Gregory: Thank you. I was almost finished until I was interrupted.

Incidentally, I am all in favour of any encouragement the government can give to eastern Ontario, particularly since I have recently become a small property owner in eastern Ontario. After my retirement from this grandiose place some years down the road, after another session or so in cabinet, I will probably—

Mr. South: We have immigration requirements there.

Mr. Gregory: As a matter of fact, I am going to be a very close neighbour of the member for Frontenac-Addington (Mr. South), and I will be looking for some kind of business encouragement down there after I am out of politics.

I encourage the parliamentary assistant to encourage the Treasurer to keep that money rolling into this program because, for a free-enterpriser such as myself, this is the ideal type of thing. I am sure the member for Waterloo North is in the same category. He is nodding, and I am sure he agrees with me. He even sits in the office where I used to sit. He could not help but do that and totally agree with what I am saying. Rightly so, we take a certain amount of pride in the program, as I am sure he does.

Mr. Philip: It will be a lead handshake for the member.

Mr. Gregory: Nobody has made me the kind of offer I have been hearing about in the House recently.

The Acting Speaker (Mr. Morin): Order. Please address the chair.

Mr. Gregory: I thought I was. I certainly will address you, Mr. Speaker, as I was saying to the member for Etobicoke.

I guess I am little disappointed in that I saw this program dating back about three years when I inherited it as the then Minister of Revenue. It was sort of a flag program. It stood out. It got raves. It even got raves from its critics, except I remember very well the Leader of the Opposition of the day stood up with a seeming problem and tried to punch holes in the SBDC program because of some lodge up north that was going down the tube. He claimed the SBDC program was also going down the tube, only to find, within days, that the program had secured all its money as the plan called for, and rightly so. There was no loss to Ontario, thus proving how solid the program was.

If it is so solid, why are they tinkering with it? Why are they fooling around with it? If they are going to make major changes, make them, instead of a little bit here and a little bit there, like services. There is nothing wrong with that. What about the transportation suggestion? Why was that not included? Why not do something real? Why not do a little of what the member for Port Arthur suggested, such as bringing in other northern industry? There must be all kinds of things being done in small businesses in the north that could be included under SBDC eligibility.

They cannot say it is because they do not have the money to do it. They have never yet used all the money allocated to northern Ontario under

this program, and it is not likely they will. The government is saving money because it knows it is not going to use it all and it is paying 30 per cent; but where it is going to use all the money, it is only paying 25 per cent, which is pretty sharp business. I was going to say it is also a little deceitful, but I will not use that word. Smoke and mirrors is what it is.

They are putting \$5 million less a year into it while trying to make it appear as if they are giving the north a lot more. They are giving exactly the same to the north as before, a 30 per cent bonus, and they are giving less to central and southern Ontario. It is too bad this is not going to committee. I would love to have a few entrepreneurs, who normally invest in these kinds of things, ask why the government is suddenly penalizing someone who happens to own a business in southern Ontario.

In the first year, an SBDC is required to have \$100,000 in the program. That means an SBDC that lives up to the requirements of \$100,000 in the first year has lost \$5,000 in cash to those investors. That is not small potatoes by my standards. It is all right to say if they happen to be in the north, they will get \$5,000 more, but they will not; they will get exactly the same as they have for the past seven years. Let us not try to cloud it by trying to make it appear that we are doing a great thing for northern Ontario. We are not doing anything great for northern Ontario in this or any other act.

The Premier told several communities in northern Ontario they could not expect the government to help them out and they should be looking for ways to solve their own problems. Is the government trying to help northern Ontario? To say something like that and to offer something such as they are doing in the guise of trying to help by giving more, when they are not giving a red penny more, is deceitful. Is that unparliamentary?

The Acting Speaker: It is unparliamentary.

Mr. Gregory: I will withdraw the word "deceitful."

Mr. Gillies: Bordering on.

Mr. Gregory: Bordering on unintentional deceitfulness—terminological inexactitude.

Mr. Gillies: It has the appearance of a bald-faced lie.

Mr. Gregory: It certainly has. While the Premier was doing that was about the time he felt it appropriate to give \$17.5 million out of the IDEA Corp. to his friend Abe Schwartz. That \$17.5 million is larger than the amount of money

the government is going to give northern Ontario for the entire SBDC program. That is incredible. We are really helping the north, are we not? I find that a little strange. We lost almost as much as we give to northern Ontario in this recent fiasco with the Black River-Matheson multi-year geological survey. We are losing \$5 million on that. Was it \$5 million?

16:40

Mr. South: Wait until the next election. You will see what you will lose.

Mr. Gregory: I am sorry to wake up the member. Was I speaking too loudly?

At any rate, that loss was almost as much as the entire budget, or it was about 50 per cent of the amount budgeted for the SBDC program in northern Ontario. We work in funny ways in government. This is certainly one of the strangest ways.

After these great, enlightening remarks, there are many other things I would like to touch on, but I know so many of my colleagues are chafing to get at this one that I am going to have to restrict myself in what I say; otherwise, I would become repetitious. I certainly would not want to become repetitious.

Mr. McGuigan: You did that about an hour ago.

Mr. Gregory: If the member noticed it and remembered, it is worth while saying it again.

As a matter of fact, I have here a speech I delivered to the Northwestern Ontario Chartered Accountants' Association on this subject of SBDCs some time ago. There is only about 20 minutes of it. It is so interesting. If I were to give—

Mr. Foulds: Were you the minister then? Read the whole thing.

Mr. Gregory: I was the minister then, yes.

It says right here: "Notes were addressed by the Honourable Bud Gregory, Ontario Minister of Revenue, to the Northwestern Ontario Chartered Accountants' Association—"

Mr. Foulds: Oh, those were the limousine days. I feel limousine nostalgia creeping up.

Mr. Gregory: I was up in Thunder Bay.

The Acting Speaker: Order, please.

Mr. Gregory: Do not provoke me. I am liable to read this whole thing. There are about 25 minutes of it. If I were to read this speech, I would be lauding the SBDC program, which is what I intend to do anyway. Do not misinterpret anything I have said to throw any criticism on the SBDC program. I am full of praise for it and I am

full of praise for those people who developed it: the member for Muskoka (Mr. F. S. Miller)—the former Treasurer, later Premier, of Ontario—who developed this program, which was carried on very successfully by the next Treasurer, the member for St. Andrew-St. Patrick (Mr. Grossman). The members all know the member for St. Andrew-St. Patrick.

It was developed by some great people in the Ministry of Revenue—the great Dr. Terry Russell, who might well be lurking in the gallery. I could in no way criticize the SBDC program. There is absolutely nothing wrong with it. The only thing I could say that would be in any way critical would be about the way the donkeys over there are handling it.

Mr. Polsinelli: That is unparliamentary.

Mr. Gregory: I should not say donkeys. I was going to say they do not have the brains of a donkey, but then I would have to disagree and say they certainly do.

The Acting Speaker: Would the member come back to his topic, please.

Mr. Gregory: I withdraw that terminology, sir, and that word "donkey."

Where was I before I was so rudely interrupted?

The program is tremendous, and has been. I cannot disagree with my colleague over there. I only wish the member for Waterloo North (Mr. Epp) was the Minister of Revenue. I have said that before. No, it was Housing. I said that, did I not? Revenue, too. The member would make an excellent Minister of Revenue, to carry on a great tradition that has been set up in the Ministry of Revenue. The member for Durham West (Mr. Ashe) and the former member for St. David, Margaret Scrivener. We have had some great ones over the years.

The growth of the program has been tremendous. I would have hoped that in these times of success—and these are times where there are unlimited funds for people to fool around with today, which we did not have in my day as Minister of Revenue. They can afford to put them aside for election promises and this sort of thing. They seem to find these great gobs of money for projects unheard of, and those that have not been fully thought out yet—IDEA grants, that sort of thing, from dying programs. He found the money to do those things.

It would have been interesting to contemplate. If we take the \$17.5 million that was given to Mr. Schwartz, the \$4 million or \$5 million that was given to the Grahams, the \$3.5 million to Wyda Systems and so on, we are probably up to \$25

million. That \$25 million on those grants is equal to the total budget for small business development corporations in all of Ontario. That is what he gave away with those little grants.

Twenty per cent of those grants have gone bankrupt now, and who knows what we are going to read about tomorrow morning? We never know. Is it not a shame that this \$25 million could not have been put into the SBDC program in addition to what was there, making it \$50 million, each one of them on a controllable small business development corporation that the government had some control over, instead of what we have now, with the \$4 million or \$5 million to Graham Software down the tube, with no control, no recovery? The minister has stated that it is gone with little chance of recovery.

I will bet he is keeping his fingers crossed on the \$17.5 million for Mr. Schwartz. I will bet his fingers are crossed every day because, if that ever went down the tube, he would really be in trouble over there. We do not know where the money went from Wyda. We will not be quite sure, until we find out about this audit, what is going to happen in it. Maybe we will find out that some of it—hold your breath—was used to pay off debts. Can the members imagine? We might well find that.

Had that \$25 million, instead of being wasted that way, been put into a successful program with a proved rate of success, like this program, for \$25 million how many SBDCs could you set up? For every \$100,000, he requires, by his figures, \$25,000 on the bonus. Right? If we divide \$25,000 into \$25 million, that comes to 1,000. One thousand SBDCs could be set up in a year with the amount of money he would have then. I am sorry; it would be double that. It would be 2,000. Am I right? Whatever. A lot. Who said I was good at mathematics?

He could do a lot. He could have doubled what his goal is for this year if he had done that, but no, he did not do it. He decided to tinker and make it look good to those in northern Ontario and those in eastern Ontario, who can use all the help they can get in setting up businesses.

There are two ways he could have done this. He could have expanded the eligibility of different kinds of industries or businesses that could have used this fund. Even if he had done that only in northern Ontario, it would probably have been acceptable. He could have put more money into the north or more money into the program generally; but he could also have not tinkered with the one in the south. The fact that we are trying to help the people in the north does

not mean we should destroy a program that is working so successfully in the south.

That seems to be sort of counterproductive, as the member for Port Arthur has said. "Counterproductive" is the key word. The minister has given with one hand and taken away with the other hand. Is that what he did? Something like that. It is out of one pocket and into another. He really has not done anything except reduce the amount of funding in the budget overall by some \$5 million, from \$30 million to \$25 million.

If that is progressive, then the word has a new meaning for me. It is not a word I use all the time. Is that not right? "Progressive" is not one of my usual words. Progressive means doing something that encourages small business to create employment for workers; that is progressive. He has not been progressive on this one; he has been regressive.

Mr. Foulds: The member should feel comfortable with that.

16:50

Mr. Gregory: No, not regressive. I have been kind to the member for Port Arthur.

Mr. Foulds: That is what worries me.

Mr. Gregory: It should.

There is not much more to say about the bill, because the government has not done much. When I say I will support the bill, I am guided by my caucus. I am guided by my instincts to support it. I do not support what the government is doing with it, because I do not think it has done nearly enough. What it has done has not been very good or progressive. The bill is not geared to do what the original concept of the plan was. The government should go forward. It should never go backward, but it is going backward with this bill for the sake of saving \$5 million a year. When it can blow \$25 million on other idiotic schemes, it seems to me—

Mr. Haggerty: How about Minaki Lodge?

Mr. Gregory: How about Minaki Lodge? The member for Erie (Mr. Haggerty) is awake. I always know when I have said something that has hit a point. I always know when I hit a nerve, because the member for Erie wakes up. It is nice to have him with us. He should stop in more often.

Having said all these great things, I know the parliamentary assistant will immediately amend the bill to take into consideration the constructive criticism I have given him. He will immediately add \$5 million to the budget, no doubt, and he will restore the 30 per cent bonus to the

businesses in southern Ontario, because that has a certain amount of appeal.

It was very successful in Erie, for example. I know many people in Erie who took advantage of it. As a matter of fact, one of them went to jail. No, he was not related to—I knew of one person down that way who went to jail. He tried to fool around. We got our money back, but he went to jail, rightly so. The fact that he was caught shows the efficiency of the program.

I know the parliamentary assistant will immediately forward my recommendations to the Treasurer when he returns from wherever he is now, Earl's Shell Service or wherever he is discussing policy, and an amendment will be forthcoming, especially when we reach the committee stage.

Mr. Guindon: I rise to support the small business development corporations proposal of Bill 24. While the amendments will help streamline the activities of the SBDC, it is yet another example of the Liberal government's tinkering with a problem and not taking any concrete action to help remedy it.

I will give members an example. We know 95 per cent of jobs are created by small businesses. By this fact, we also know our smokestacks in Ontario have failed us. In the past 10 years, 85 per cent to 90 per cent of the jobs have been created by small businesses. We also know the large manufacturers have pulled back. Their gross sales have dropped by roughly 17 per cent. On the other hand, the employment situation has dropped by about 10 per cent.

In Cornwall in eastern Ontario, our unemployment rate is 12.7 per cent at present. Unemployment is approximately 6.9 per cent across the province. To me, that is a flagrant disparity. That is one of the reasons I hope the amendment to Bill 24 will help streamline the process for small business entrepreneurs to be able to tap the Eastern Ontario Development Corp. or the small business development fund in a manner that is much easier for them and that will speed up the process.

One more example of poor initiative by the government is its new ventures program, which states that if one is interested in starting a small business, if one has \$15,000—in the case of eastern Ontario, if one has \$7,500—the government will guarantee a loan at the bank for \$15,000. It also states that if one has been in business for not more than three months, one is eligible. However, there is a rider, which is that one must have \$7,500 in the bank.

What small businessman would have \$7,500 cash in the bank if he needs \$15,000? He would not apply. If I were a small businessman and had \$7,500 in the bank, I would not need an extra \$15,000. If I did, I would probably be able to vouch for it myself at the bank. The new ventures program, for example, is not helping small businesses; it is not helping the starters. That may be something the minister should look into.

On other small business loans that are brought up from time to time, it is the time it takes to process the application. Small businessmen apply; the entrepreneur gets a verbal or a noncommittal yes; he is told he can go ahead if he needs the equipment immediately for his expansion, to bridge-finance it for a few months or a few weeks; and willingly he goes to the bank and gets his bridge financing.

Here is what happened in the case of one of the businesses in my riding: When the businessman got to the bank, the bank said, "Fine, we will lend you the money," but the bank erroneously used—without doing it on purpose, I imagine—an incentive loan program from the federal government. He was automatically disqualified. He is not accepted any more by the small business branch.

Mr. Haggerty: The federal government is terrible, is it not?

Mr. Guindon: No. Those are the provincial rules. If he qualifies under the federal program, he is disqualified under the provincial program.

An entrepreneur who wants to go ahead and who sees this red tape and these complications automatically tries to pull back. He will say to himself, "So much for that deal."

I know there is some attempt to do it now, but the program should also consist of expertise. In eastern Ontario, which is a high unemployment area, we also lack some competitive entrepreneurs who are ready to take a risk. Those who already exist are our best asset. We should have in the small business development corporation a program that would enable the small entrepreneurs to sit down with retired bank managers, retired administrators and retired professional entrepreneurs to discuss their new ventures and minimize the risk.

There is one more thing I would like to point out to the government. Where is eastern Ontario and what parts of eastern Ontario? I suggest we should regionalize, because if we take the eastern Ontario unemployment rate as it is, it is much lower than 12.7 per cent. The government is taking in the cities of Ottawa and Kingston, and

those areas are very wealthy and are expanding very rapidly.

If we want to be effective in the areas in eastern Ontario that have high unemployment, we should regionalize a little more and not just say eastern Ontario begins in Belleville or in Peterborough. That is too broad a spectrum. Whenever we start allocating the funds in areas, we find the same areas are getting most of it.

To help the small business development, and the small entrepreneur especially, the most important part would be to have a real competition bill, and it should have teeth. Apparently, there is one now in the federal House. I have read it quickly, but I do not think it will be sufficient to level the playing field for small business operators, to give them a fair chance. Sometimes we have large companies that run to governments for protection. They run for cover, actually; they run for subsidization in one way or another, and they are crying that they want a level playing field. Heck, for a small business entrepreneur, it is nothing but a cliff.

If we want to help eastern Ontario, we must take a second look at the proposed changes to the Municipal Act. Not only in eastern Ontario but in some other situations in Ontario, municipalities cannot afford the incentive programs that other municipalities or large cities seem to have.

17:00

Other than that, I would like to finish by saying we have to go ahead with the small business development, but we also have to improve it. The last way I would suggest today that we improve the small business development corporations would be to improve the loan situation for conversion. My example is something that happened in my own riding. A small business applies, is accepted and qualifies for, let us say, a \$100,000 loan; it is tied to machinery and equipment. That small business starts up but does not need all, or may need half, the loan. Supposing it needs half of the \$100,000, or \$50,000. It cannot convert the remainder of the loan, the \$50,000, to cash flow. There should be a quick and easy way of doing so without having to reapply for the balance of the loan or for another loan, which takes time.

In small business, action and reaction are very important. If a small businessman decides to expand his business, it is usually because of seasonal change, weather conditions or the buying market and the small business operator does not have six months.

Mr. Runciman: I have a few brief instructive and nonpartisan remarks to make. One of my

colleagues mentioned earlier the term "smoke and mirrors." Essentially, there is a lot of that here, and not just in what the government is doing in this instance but in the bulk of actions undertaken by this government in its 18 months in office. It tries to give the impression it is doing great things for all parts of the province, but when one starts looking at the details behind these programs, one finds in most instances they are nothing more than optics: smoke and mirrors.

It has been emphasized that the funding has been frozen; no extra money is being provided. Some of the areas for which the government has found money are upsetting to many of us on this side of the House and to an increasing number of Ontarians at large.

We have talked about a number of things, but some things have not been mentioned, such as the enormous increases in salaries given to ministerial staff when the new government took office. We have executive assistants making an average of \$57,000 a year, which is in the neighbourhood of \$15,000 to \$20,000 more than comparable staff made working for the previous government. We have—

Mr. Haggerty: Now for the principle of the bill.

Mr. Runciman: I will get around to the bill. We have also had our leader—

Mr. D. R. Cooke: Let us hear some partisan remarks, so we can compare.

Mr. Callahan: I want to hear some partisan remarks.

Mr. Runciman: Totally nonpartisan.

Our leader has clearly accused the Premier of concealing \$800 million from the taxpayers of this province. He is keeping it from eastern Ontario and northern Ontario. He is keeping it from all Ontarians: from the handicapped, seniors, students, laid-off workers.

There is no question. We have mentioned other funds. The member for Mississauga East (Mr. Gregory) mentioned the Abe Schwartz fiasco, with which we on this side of the House are not finished, Wyda and Graham Software. We can go on and on about the way this government has thrown millions and millions of dollars out the window. We are not going to let the government forget about it, and we are going to make sure the people of Ontario find out about it and soon.

I want to talk about some of the elements of this legislation. I agree with the suggestion made earlier that we should be considering the broadening of SBDC eligibility to cover some of

the areas that are most seriously affected by the present situation in the economy. I am speaking specifically of eastern and northern Ontario. We know that southern Ontario has been experiencing a level of prosperity that has not occurred in the other areas. For that reason, they should be receiving more attention from the government.

To date, southern Ontario has reaped most of the rewards given by the government and particularly in the automobile sector. I heard recently where the mayor of Belleville was publicly chastising the new government, especially in this area where they had not done enough to encourage the automobile sector to invest in eastern Ontario. I find it quite strange. Mayor Zegouras, and I know him reasonably well, always wears a red tie to my knowledge and was reputed in any event to be a prominent member of the governing party. He came out quite strongly with criticism of that government for not doing enough for eastern Ontario. There is one of its own standing on a soapbox saying the government is not doing enough for that part of the province.

Several years ago, as a government backbencher, I tried to organize a group of municipalities in eastern Ontario into an eastern Ontario municipal association.

Mr. Callahan: What happened?

Mr. Runciman: It fell down the cracks, because the gentleman who was elected president of the association was not enthused about it and it never got off the ground.

One of the areas of concern that was expressed—

Mr. Callahan: It did not get to the breakfast meeting at the Park Plaza. No doubt about it.

The Acting Speaker: Would the member for Brampton remain quiet, please.

Mr. Runciman: That is almost impossible for that gentleman to do.

Mr. Haggerty: How about the member sticking to the principle of the bill?

Mr. Runciman: I am attempting to do that if all the people intervening would give me an opportunity to do so.

We had several meetings of the municipalities in eastern Ontario, and I attended them all. One of the first objectives of that group, if it had got off the ground, and this was a major concern expressed, was to define eastern Ontario. What is eastern Ontario? We found that various ministries have various definitions of eastern Ontario. As the member for Kingston and the Islands (Mr. Keyes) knows quite well, when the member for

Frontenac-Addington is driving home and he gets to Napanee, he enters the Ministry of Tourism and Recreation's east district. Eastern Ontario begins this side of Napanee. Different ministries have different interpretations of what eastern Ontario is all about. That is a major concern and one that has not been looked at, one that has not been remedied.

I do not know how the Ministry of Industry, Trade and Technology, or in this case the Ministry of Revenue, is defining eastern Ontario. When they are allocating specific dollars, are we getting shortchanged in the east, those of us who are truly residents of eastern Ontario? Many people around this building and in this city believe eastern Ontario starts at the eastern boundary of Metropolitan Toronto. That is a fact. That belief has been here for many years, and this government has not changed it. I am encouraging them to take a look at it and to try to clear up the confusion that exists out there.

I talked about broadening the eligibility for SBDCs. I have a number of municipalities in my riding; I think there are 16. Many of them are small rural communities with ageing and diminishing populations. They need assistance to revive those communities and keep them alive. We have to look at innovative ways of achieving that goal if we are not to face a serious problem in the not-too-distant future. I know we are seeing it in many of those communities in my area. The young people graduate from high school or university and simply have no opportunity available to them in many of those areas.

We talked about unemployment. The member for Cornwall (Mr. Guindon) mentioned his municipality. Unemployment is high in many areas of eastern Ontario and much higher than in the rest of the province. There is little evidence that things are going to improve in the near future.

The SBDC program as currently structured is obviously not working in the east. It is time the government showed some leadership and took concrete action to help these economically disadvantaged areas.

17:10

The Acting Speaker: Are there any questions or comments?

Mr. D. R. Cooke: Perhaps the honourable member would give us two minutes of partisan remarks so we can compare and contrast.

The Acting Speaker: Does the member for Leeds (Mr. Runciman) wish to answer?

Mr. Runciman: I do not think the honourable member could stand it; he would have to leave

the assembly if I got into partisanship. I try to stay away from partisan comments whenever and wherever possible.

Mr. Gillies: I am very pleased to join the debate on Bill 24. I do not intend my interjection to be that lengthy, although I must say I could be provoked to lengthen it by my friend the member for Brampton. We will see how it goes, but I think—

Mr. Barlow: Could you make it last about an hour and 20 minutes?

Mr. Gillies: I could indeed. This 10 minutes could go to a good hour and 20 minutes if I am given sufficient fodder.

Mr. Callahan: Then we will leave now.

Mr. Gillies: There we go.

One thing I learned pretty early on after being elected was that one of the best ways to lengthen a speech is for other members to interject. There are some members around here who are very good at taking the ball and batting it back and forth. The current Minister of Education, the member for Renfrew North (Mr. Conway), is a master of this. I have seen our friend stand in this assembly, armed with little more than a government phone directory, and with the right interjections and interventions by other members he can go on for an hour or two hours. I do not anticipate the necessity of doing that.

There are a couple of points to be made about this bill. I join with the other members of our caucus who have spoken in support of Bill 24.

I subscribe fully to the remarks made earlier by my colleague the member for Mississauga East, the former Minister of Revenue. I fully subscribe to the very positive remarks he made about this particular concept and the tangible benefits that I believe have been made for Ontario, for the small business sector, through SBDC.

I heard a member earlier questioning the whereabouts of the Treasurer. As I think many members of the assembly know, the Treasurer suffered a loss in his family this week. We are all very sorry and share in his grief. I am sure family duties are preventing him from being with us today. All members of the assembly would agree there are few members of the House with as many weighty responsibilities as the Treasurer, who is diligent in his attendance at the House. We know he would be here if he could. Anyway, his parliamentary assistant is here to represent very ably the ministry in this matter.

The primary aspect of the changes coming into Bill 24 that I would like to zero in on is the question of regionalization. As a member from

western Ontario, I want to say at the outset that I am very much aware of the special needs and the economic problems being experienced in northern Ontario and in parts of the east. My colleague the member for Cochrane South has reminded the House as recently as today of the staggering unemployment rates being experienced especially in northeastern Ontario, especially among young people in many of these areas and, indeed, in other parts of the east.

We have had some benefits in southwestern Ontario in the past three or four years. When I think back to the beginning of the recession—you, Mr. Speaker, as a neighbouring member in southwestern Ontario will remember this all too well—some of our communities were among the first to fall into the trough during the recession period. I think many people saw the recession in Ontario first manifested in my community of Brantford. We went through a pretty rough time down there in the latter part of 1981 into 1982 and 1983.

Other communities in our part of the world, such as the cities of Woodstock and Chatham, experienced similar problems with the farm machinery industry. I see the member for Chatham-Kent (Mr. Bossy) here. He will recall the very serious situation with International Harvester that his area was going through at about the same time my area was going through some pretty rough times with Massey-Ferguson and White Farm Equipment. We went through it, and many of our communities in southwestern Ontario have been able to recover very well.

We have some geographic advantages in terms of new industry wanting to locate in Ontario. We all know the story. They do a tour. Let us suppose it is an auto parts manufacturer or another secondary manufacturing venture, perhaps in metal fabrication or something of that sort. One of the prime determinants for them is locating close to the market, close to the best transportation routes available and close to other industries on which they depend for their various supplies and services.

We have benefited in the Golden Horseshoe and in parts of southwestern Ontario by a number of new developments. We are delighted that the Toyota plant will be locating in Cambridge and that the General Motors-Suzuki plant will be going to Ingersoll, much as I would have liked that plant to have come to Brantford. We put up the good fight to the short list, but Ingersoll is a community that will benefit enormously from it.

The location of these various industries is an obvious benefit to our area, but we can run into

problems in breaking down the province regionally and assuming that the economy is stronger in all parts of western Ontario than in all parts of the east or the north. I am ready to concede that the unemployment rate right across the north is as bad as or worse than just about anywhere in western Ontario but, frankly, when we talk about eastern Ontario, we are also talking about Ottawa.

Ottawa is going through a pretty good economic cycle. I visit there from time to time, as other members do, on legislative business, speaking or whatever, and I very seldom drive through Ottawa without seeing all kinds of construction and activity that go with being the nation's capital and having an economy that is so heavily government-based.

Mr. Callahan: Its presence is being moved to other areas.

Mr. Gillies: My friend the member for Brampton is helping me with my speech.

Mr. D. R. Cooke: They do not have recessions in Ottawa either.

Mr. Gillies: That is right. My friend the member for Kitchener makes a very good point. During the recession in 1982-82, there was no part of the country that was charging along full steam with new building and development as Ottawa was. Good for them. I am glad the people of Ottawa are doing well. The point I am trying to make is simply that there are better ways of determining the applicability of a program such as this than by saying it will apply in the east and the north and not in the west.

I would like to suggest to the parliamentary assistant one or two ways it might be done. It is a little late to amend the bill now, but, who knows, some of these suggestions may come into play down the road.

Earlier, I heard an interjection by my friend the member for Erie when a point was being made by another member about the unemployment rate in the north, which is very serious. I believe 12.7 per cent was the figure named. I heard the member for Erie interject, "Same as in Port Colborne." I think that is what he said. That is the point. Why should Port Colborne, which is not having a strong economic cycle in these times, not be able to benefit from a program such as this?

I can think of other cities. Mr. Speaker, I know your city of Woodstock has had some lingering unemployment and industrial problems coming out of the recession. There are communities everywhere in our province that could benefit from the application of the small business

development corporations program. How do they do that?

There was a very interesting federal program brought in during the 1981-83 period by the previous federal government; it was called ILAP, the industry and labour adjustment program. ILAP was a program for which communities could apply and become eligible by virtue of a couple of factors: the unemployment rate in the community making the application, be it city, county or region; the industrial or economic infrastructure of the community; the prospects for future growth. All these things were taken into account. The program was flexible enough under the industry and labour adjustment program that the people administering it could say, "We think Port Colborne could benefit from this program;" or, to use a couple of real examples, Windsor was designated under ILAP, as was my riding of Brantford, a few others in southern Ontario and, I believe, several in the north, including Sault Ste. Marie, if I am not mistaken.

17:20

There was a flexibility there that I commend to the parliamentary assistant. I do not want to see any of the benefit under this legislation withheld from eastern or northern Ontario. That is not the point I am making. The only point I am making is that if the government changes the eligibility criteria somewhat and takes a look at the way ILAP did it a few years ago, maybe there is a way to channel the majority of our resources into eastern and northern Ontario where, I grant, the bulk of the need exists. At the same time, it might be able to channel a lesser portion of the benefit into other needy communities in western or even central Ontario.

I say again that it is all too easy for us to assume that the economic benefits of the boom related to the auto industry—from which, I am the first to admit, my community is benefiting enormously, as are a few others in our part of the world—are being felt evenly across western Ontario. I mentioned earlier the problems with the farm equipment manufacturing industry in the Chatham area and the aftershock of the collapse of one of the farm equipment companies in my riding of Brantford. I have already mentioned the Woodstock situation.

The employment rate in Woodstock and Oxford county is not as good as we would like it. I would like to see some improvement there. I understand the Sarnia area is in a bit of a trough these days because of problems associated with the petrochemical industry. So it goes. If we built in some flexibility—

Mr. Harris: Mr. Speaker, on a point of order: We are dealing with the budget bills of this government, with the budgetary policy of this government. There are nine government members in the House and I do not think a quorum is present.

The Deputy Speaker ordered the bells rung.

17:25 p.m.

The Deputy Speaker: A quorum is present.

Mr. Gillies: I hold nobody responsible for the lack of quorum in the House. As I said earlier, it is my singular ability to draw a crowd which is manifesting itself once again, but I will, none the less, persevere.

I commend a couple of these suggested changes to the parliamentary assistant. I think a flexibility can be built into the SBDC program to accommodate some of the hard-hit communities in our province, wherever they might be.

As has been said earlier by other members, SBDC is a good program. It has worked well. I think one of the reasons it works well is that people know the rules and the way the program operates when they go into it. They also know the activities of the SBDC will be subject to ongoing monitoring and that, once into the program, they have to continue to play by those rules. We all know the limits, both upper and lower, on investment in an SBDC. We know a bit about the percentages which have to be invested in the small business sector year by year and so on, but it is a good program because it is tight.

It is a good program because the SBDCs—a couple of which operate in my riding and which, I guess, would not be eligible under the new program, under Bill 24—know what they are doing. They know the rules of the game. They play by them, and if they do not play by them they are in trouble.

With that in mind, we have seen established in the province since July 1979 about 450 SBDCs, which have channelled, I understand, approximately \$165 million in investment into about 400 businesses. Those figures may be slightly out of date. If they are, I apologize to the ministry officials under the gallery. I hope they are relatively up to date. This means the average investment, if one takes the \$165 million and divides the 400 investments into it, is about \$240,000 or so. There is quite an upward and downward variation on that, of course, but the point I want to make to the members of the government is simply this—

Mr. Callahan: Now he is coming to it. I am glad to hear that.

Mr. Gillies: My friend the member for Brampton is sitting on the edge of his seat waiting for it.

Mr. Callahan: I certainly am.

Mr. Gillies: He wonders where the devil Gillies is going with this.

The point is that it is a good program because it has definite criteria. People know the rules of the games when they get in; they know the rules of the game when they are in; and they know what happens if they break the rules. I contrast this very excellent SBDC program—fathered, as was cited earlier, by the member for Muskoka—with the way this government has worked with some of the other government-funding mechanisms since it took over.

It has gotten into trouble already with its high-tech fund, which is not even fully operational yet, and I am going to come back to that. It has gotten in trouble with the way the IDEA Corp. was handled in the past 16 months. It has gotten in trouble with these things because of a very fundamental problem within the government, which is a feeling, I believe, it had in its first year in office that it could really do just about anything it wanted and get away with it. I hope that lesson is learned.

Mr. Callahan: You have been reading *The Power and the Tories*, have you not?

Mr. Gillies: No. Let us be honest. Politically, I hope the lesson is not learned. I hope the government keeps doing it the way it has in the past while, but for the good of the province and for the good of our taxpaying public, I hope the lesson is learned. Remember that these SBDC funds are averaging about \$250,000. The hard work, the very stringent criteria and the very tight program put into place to administer these \$250,000 funds are in such marked contrast to the \$17.5-million grant given out by the Premier to a buddy of his that it is absolutely staggering.

Picture it. Mr. Speaker is as aware as I or other members of the House of the criteria for SBDCs. They go on for pages. They set an upward limit of \$5 million in investment for private corporations, \$10 million for public, a minimum of \$100,000, the trust percentage, how the investors work and how many voting shares. As the SBDC is capitalized, 30 per cent of its equity must be deposited into a fund held in trust by the corporation and the Ministry of Revenue. It goes on right down to the eligibility of small businesses and the percentages of the fund that have to be invested. This is a tight program. It tells you exactly how you have to do it, how you

are eligible and how you are not eligible to handle funds averaging \$250,000 each.

17:30

Over here we have the Premier putting out a news release from his office granting his associate, Mr. Schwartz, \$17.5 million with no explanation as to what fund it is coming from or what criteria were gone through for the funding of the Exploracom project. I could go on. It staggers the mind that the government goes to the lengths it does to ensure the propriety and eligibility of relatively small investments and then there is the cavalier attitude with which \$17.5 million is tossed out. I stood in the House—

Mr. Martel: What does this have to do with the bill?

Mr. Gillies: It has a lot to do with the bill. The member should listen. I will help him. Mr. Speaker, I will tell you why it is important and what it has to do with the bill, because my friend the member for Sudbury East wants to know. Because he just came in recently, I want to take us back.

The SBDC program, as described and amended by Bill 24, is a tight, functional, clear, rational program. The way this government uses the taxpayer's money in any number of other comparable or quasi-comparable funding mechanisms such as the IDEA Corp. or the high-tech fund is ludicrous by comparison. Now my friend the member for Sudbury East understands the point I am trying to make.

Mr. Martel: The member is stretching it. The only reason he is getting away with it is the Speaker is a little lax today.

Mr. Gillies: Let us talk about that for a minute. The member for Sudbury East, in one of his usual pointed and thoughtful interjections, now has suggested that the Speaker himself is being lax. I have heard that adjective applied to any number of people, but to suggest that the Deputy Speaker, the member for Oxford (Mr. Treleaven), now occupying the chair, is ever lax, this finely honed legal mind commanding the House to the level of order and sobriety that it now enjoys—

The Deputy Speaker: Now back to the bill.

Mr. Gillies: Back to the bill, Mr. Speaker. It boggles the mind. Why can the government not take a leaf from the SBDC program and put some order into a few of its other houses? We have the Premier announcing a \$17.5 million grant from his office with no mention in the news release of a program. Only after being questioned in the House did the Premier belatedly decide that the

grant was coming from a high-tech fund in the budget of the Treasurer the very budget from which Bill 24 is taken—this is yet another tie-in, I say to the member for Sudbury East—a high-tech fund that at the time the Exploracom grant was announced was not in place. The criteria were not there and there was no way any businessman in any of our ridings could pick up a clear set of criteria such as this and say, “I should apply for Mr. Peterson’s high-tech fund;” or, “Clearly, I am not eligible, so I will not apply for Mr. Peterson’s high-tech fund.”

There was nothing such as that. There was no board of directors in place. There were no criteria. There was no application form, unlike Bill 24 and the SBDC program, under which any business person in any riding in the province could pick up the phone and call the appropriate officials of government and say, “Will you please explain to me how I go through applying for this program and how I can be eligible for this government program?” Unlike that, the high-tech fund was a complete mystery. One could phone everywhere in the Ministry of Industry, Trade and Technology. No one knew how to do it. Back in the spring they were saying, “If you call us back in the fall, we might be able to tell you how to apply, but right now we do not know. Nothing is in place.” All this after the Premier had doled out \$17.5 million to his friend.

This very clear, very tight program stands in marked contrast to the way the government has dealt with the IDEA Corp. since it took over. We have been over this ground. I do not think we need do it at any length, but, good Lord, perhaps if the same degree of scrutiny, the same degree of review and care, had been taken with some of those investments, we would not be going through the situation we are now with Graham Software, going down with \$5 million of our tax dollars. Think of it; \$5 million of our tax dollars invested in a company not a year ago, and it looks now as if it is all going to be gone.

That has not happened with any degree of regularity with our SBDC program. Its investments are monitored closely and watched. The criteria for investment are clear. All I am saying, and I hope the parliamentary assistant will pass it along to his colleagues, is that here is a good example of how to run a government funding program and here is a good example of how to create investment capital for our small businesses. If they took another look at the high-tech fund and a few things like that, they might see the benefit of having it all tightened down considerably more than it is.

To summarize, our caucus will be supporting Bill 24. We recognize the strengths of the SBDC program and we are very pleased the program is continuing. We recognize the special economic needs of northern and eastern Ontario. Having said that, I still commend to the parliamentary assistant and to the government a few of the suggestions I made as to how we might be able to target more precisely the application of this legislation, so that hard-hit communities with special needs, special unemployment problems and industrial infrastructure problems might be able to benefit from this wherever they are in Ontario. There are precedents, and I say to the parliamentary assistant, it can be done. I commend that to him.

The Deputy Speaker: Any comments and questions? There being none, does any other honourable member wish to participate? The member for Stormont, Dundas and Glengarry.

Mr. Villeneuve: I want to spend a few moments addressing the amendments in Bill 24, An Act to amend the Small Business Development Corporations Act.

Eastern Ontario has not benefited from the revitalized economic boom that has occurred in some parts of this province, particularly in regard to small business, and I feel somewhat aggrieved because of that. If we overlook the city of Ottawa, the seat of our federal government, which is more or less immune to economic difficulties, the rest of eastern Ontario is suffering through some very difficult economic times.

I note here in the explanatory notes that the purpose of the bill under (b), which I will quote because it is important, is "to authorize the minister to deny a payment from the trust fund established under section 8 of the act where there is any violation of the act, the regulations or the spirit and intent of the act."

That concerns me because I find quite often bureaucrats are looking for the small disparities. Sometimes they almost go out of their way to create difficulty when small businessmen and businesswomen are attempting to obtain some assistance from a so-called good government's intent. Sometimes it is very difficult. One wonders why these bureaucrats set up the hoops and barriers that very often not only create difficulty for business people, but also discourage them totally, so that they sometimes just give up, throw up their hands and say: "What is the use? The bureaucrats have won the game again."

17:40

I will cite a few examples of the so-called new ventures program that was announced by this government earlier this year. It is just not working. It sounded really good when it first came out. It was a big deal for eastern Ontario, which was going to be benefiting with a \$15,000 guaranteed loan to the bank. It has turned out to be a nightmare. I say to the member for Frontenac-Addington, they had better look at that one again. It came in with a great deal of fanfare.

Mr. Mancini: Show us how it is a nightmare. That is a ridiculous statement.

Mr. Villeneuve: If it is ridiculous, when I am done explaining it the member for Essex South may think the ventures program is what is ridiculous.

I have had people come to me saying that because they incorporated three months too soon—of course they had to incorporate, one has to set up a business so that is what one does—there was no flexibility at all. A certain date had to be met, period. There was no flexibility at all. What did one have to do for a \$15,000 deal for small businesses? One had to hire some employees. For a \$15,000 injection into a business, if it is that small, a family-owned business, let us not have a criterion, a requirement, that says, "We have to hire some people."

It is great if one needs people, but why go meddling in the business world? This is a meddling government, meddling everywhere, imposing its own little rules, regulations and criteria on all of the so-called "good ideas." They all sound very good when they are first announced and initiated, but very soon the lustre wears off.

Mr. Mancini: See how many there are in the member's riding.

Mr. Villeneuve: I have requested that. As a matter of fact, I tell the member for Essex South, I have had some problems even getting a hold of people who can give me information that I think is very essential to those people who will be applying under the ventures program.

In my opinion, the ventures program has failed. I hope I am wrong and I hope the member for Essex South corrects some of those things that need to be corrected in that very bill. I had the owner of a small greenhouse operation come to me and say that \$15,000 was fine. I spent several days discussing it with the people who administer the ventures program. It turns out that the owner of that operation needs not equity, but money in

the bank, and that is a different story. That is not written in the rule book.

This man has equity; no problem. If he had that money in the bank, he would not need the ventures program. I hope the amendment to the small business development corporations is not that kind of a nightmare for small business.

I will cite a few examples of other problems that small businesses face, particularly in eastern Ontario. We have limitations on rezoning what is so-called agricultural land. I had an experience where a small businessman came to me and said, "I need to rezone a small parcel here so I can put up a service building to service customers who would basically require restaurant services and that type of business along a well-travelled highway."

As it turns out, the boys from 801 Bay Street told him this was class 3 agricultural land and therefore was a sacred cow. What happens? This man either takes his investment elsewhere or he just forgets about it. That is what is happening. Again, meddling by a government which says Big Brother knows best. This concerns me very much.

Setting up small businesses sounds good. One becomes one's own person. One is able to administer and run one's own business. It is a great idea but, all of a sudden, in comes the Ministry of Labour. The Ministry of Labour, I suppose, well intentioned and all, is in the process of shutting down small businesses, and I will cite some examples for members.

A small businessman is running a small garage, an auto body repair business, and he happens not to be a class B mechanic. The Ministry of Labour walks in. This man is doing a good job. People take their cars there. He fixes them up, patches up the holes, covers up the rust and paints them. What happens? The Ministry of Labour says, "Sorry, I do not see a certificate on the wall that says you are a class B mechanic." It shuts the doors. Is that helping small business? Is that the kind of thing we are talking about? It is happening and it is happening all too often.

Grievances by employees concern me. Again this has to do with the Ministry of Labour. A small businessman receives a visit from two employees of the Ministry of Labour who come in to check his books. An employee has complained that he was not paid overtime when he claims he should have been. Fine and dandy. They spend a whole day going through the books, the time sheets, the little punch clock papers. Everything is okay.

What happens? The small businessman has been literally harassed; not only literally, physically harassed, threatened by the Ministry of Labour, but all of a sudden, everything is okay. What does the employee get? He gets a letter stating, "Sorry, but your grievance has been looked into and it does not hold water." This man did not have a good set of books. This man was not a careful businessman. This former employee could have cost him umpteen thousands of dollars. That is the way it was and that is the way it is.

Mr. Mancini: The member should explain that.

Mr. Villeneuve: I am explaining to the member for Essex South. He has some difficulty in understanding the ways of business.

Mr. Mancini: That is quite a serious accusation. Physical harassment is very serious. Why does he not explain it?

The Acting Speaker: I remind the member for Essex South that he will have a chance to address his questions and comments for two minutes.

Mr. Villeneuve: The harassment from the government is something that small business could very nicely do without. It has turned into a problem where it is harassment right from the inception of trying to obtain some highly touted government assistance. Obstacles are put in the way from day one and they continue even after this business manages to get going and gets on its feet. We have all sorts of government officials trying to do their little bit of interference, always with the supposed intention of helping the small businessman.

The best way they could help the small business community in eastern Ontario would be to make themselves scarce. If they are called upon for advice or assistance, great; but we find all too often that some of the government bureaucrats stand in the way instead of trying to assist some of these small businesses.

In summary, I hope the Small Business Development Corporations Amendment Act, Bill 24, does not do what we see on paper—indeed, what I quoted initially—and that the bureaucrats do not, as it says here, under authority of the minister "deny a payment from the trust fund established under section 8 of the act where there is any violation of the act, the regulations or the spirit and intent of the act." That is a very negative statement right at the outset of the explanatory notes, and I feel that if these rules and regulations are cast in stone initially, it can always be found that obstacles

will be placed in the way that will not assist but will, indeed, interfere with the normal progression of small business.

17:50

Mr. Speaker, I thank you for the opportunity of expressing some of the concerns that I have and that come from people in a riding that is very rural, agricultural and small business in nature.

Mr. Mancini: I would like to make a couple of short comments on the remarks made by the member for Stormont, Dundas and Glengarry. I find his comments really incredible. It is evident he does not understand the new ventures program. The rules and guidelines are very clear; they are available. He can call the member for Wellington South (Mr. Ferraro), the parliamentary assistant to the Minister of Industry, Trade and Technology (Mr. O'Neil), if he has had some problems. I am sure the parliamentary assistant can explain them to him.

This is a program that is available to every new business in Ontario. It goes back to the day it was announced here in the House during the budget. When the member says there is no flexibility and that a small business was incorporated three months ago, this program which has been announced now goes back to the day it was announced here in the House. If there is some problem with the date, I recommend that the member call the member for Wellington South. I am sure it could be straightened out if that was the problem.

The other comment that is quite serious is that the member stated some business owner in his riding was physically harassed.

Mr. Villeneuve: I said only that he was harassed.

Mr. Mancini: The member said he was physically harassed, and that is quite a statement and quite an accusation to make against a civil servant. I am sure the Minister of Labour (Mr. Wrye) would want to know immediately who went out and physically harassed a person in the member's riding. If this did not occur, the member should withdraw his statement and apologize.

Mr. Villeneuve: The member for Essex South used the word "physically." I never said it was physically, but this small businessman was harassed. He was visited and he had to produce documents—documents that he had, thank goodness.

This businessman did not even know who these people were. They did not introduce themselves. For two thirds of the time they were

there, he was under the impression that they were from Revenue Canada and not from the Ministry of Labour. He finally found out, I guess through further discussing, requesting, asking and literally pleading as to who they were and what they were doing there.

In my opinion, that is harassment, and it is not physical harassment. If the member got that idea, it is not physical harassment, but it certainly is harassment; whereas the employee who brought this to the Ministry of Labour simply got a letter saying, "Sorry, but your claim is not valid." I feel there should be a little more done on this, because this employee used the fact that he was formerly in the employ and was attempting to cause problems.

There may have been some misunderstanding, I do not know, but he attempted to bring to the fore some situations that were not the case. I feel the employee should bear some responsibility and should be asked to pay or at least to have it recognized that he brought forth some false information that had to be checked out. A lot of time is spent by government officials and small business owners trying to defend themselves against something that is not right.

Mr. Mancini: On a point of privilege, Mr. Speaker: I ask you to check the record of the comments made by the member for Stormont, Dundas and Glengarry to see whether the words "physically harassed" were used. That is a very serious accusation and if it is not correct, it should be officially withdrawn by the member. I ask you to check the record at your first opportunity.

The Acting Speaker: That is not a point of privilege, and I am sure you can check the record for your own information.

Are there any other members who wish to speak on this bill?

Mr. Harris: I do not intend to speak very long, but I do want to echo some of the concerns that some of the members of my caucus have put forward on the bill. It is obvious they are not significant changes and that is one of the things I want to speak about. Most of the members of my caucus have indicated they will not oppose this bill. There are several other things the government has on the table that we will take some time opposing.

This bill is another example of the Liberal government tinkering with a problem and not taking any concrete action that we can see or any other action in the budgetary process to help remedy existing problems. In particular, I will

speak on behalf of my region of northern Ontario.

It appears to us as though the government has continued to ignore the plight of the small business sector; not only ignore the plight but also compound the plight of those in this sector, particularly those in northern and eastern Ontario. It has frozen funding for this program at \$30 million at a time when overall government expenditures are increasing by 7.8 per cent. I talked about that during the budget debate and I will talk about that as we continue debating some of these budget bills. Inflation is running somewhere around 3.9 per cent to four per cent and government spending is up 7.8 per cent—substantially above inflation; close to double—for the second year in a row.

At the same time, here is a program that could benefit northern Ontario significantly, and other areas of the province as well, and it is flat-lined at \$30 million. It is interesting that the spending of the cabinet office and the Premier's office is up 300 per cent at the same time—a 300 per cent increase—and not one member other than the parliamentary assistant in the Liberal caucus wants to talk about that. The member for Cochrane South indicates that he is ready. That is the kind of thing those of us who are not in cabinet, regardless of which party we are in, would want to take a look at.

The economies of eastern and northern Ontario are not experiencing the same level of prosperity as is southern Ontario. We know that. We have talked about that in this House on numerous occasions. For that reason, we feel they should get more attention from this government.

We talked about unemployment in the north in question period today when my colleague the member for Cochrane South was questioning the Minister of Industry, Trade and Technology, who I might add did not seem to know what the unemployment rates were, particularly when he was in North Bay. He did not have a clue. Perhaps it bears repeating so that the government might learn what some of these situations are in the north. It is 10.1 per cent in northern Ontario, with a provincial average of 7.1 per cent.

The situation is not improving. As some economic recovery has occurred in southern Ontario, the north continues to have problems. When one looks at the increasing number of layoffs, it gets to be a little bit scary. For the first seven months of this year, 9.2 per cent of the population, 26.5 per cent of the province's layoffs. Those numbers are a little scary.

Not only are they not participating equally in the recovery, but many areas of northern Ontario are going backwards. Towns such as Nakina, Elliot Lake and Terrace Bay have been devastated by some of the recent announcements of layoffs. It appears the only hope for these communities is to develop their own industrial and commercial base. We believe more assistance through the SBDC program could be one area that would be a good place to start.

18:00

From our perspective in the north, the difficulty that has been experienced with the SBDC program is that southern Ontario has reaped most of the rewards of this program. The area that least needs it has reaped most of the rewards, particularly in the automobile sector. We think it is time that northern Ontario began to receive far more attention than it is getting and certainly the attention we think it deserves.

Eastern Ontario is having difficulties at this time. Unemployment levels are much higher than those in the rest of the province and have been so over this past year. There is little evidence that things will improve in these areas and that this government cares. The SBDC program is not working for northern and eastern Ontario. It is time the government took some leadership, some concrete action, to help these economically disadvantaged areas. It had an opportunity to do so and it did nothing through this program.

It surprised me that the only change to this program was to take five per cent away from southern Ontario. There is no change for northern Ontario; it is 30 per cent. The uptake was not taking place there. The amount of money in the program has not changed. It strikes me as odd that the government feels this is somehow going to help us. It is not going to change anything.

The government also announced in the May budget that it was going to continue and broaden the community economic transformation agreements program. The CETA program was implemented in 1984 with funding of \$20 million for the first year. What does the Liberal government now propose? It has promised to spend \$25 million over the next two years. It did so with great fanfare, travelling to the north, making this wonderful announcement and cut back the funding. That is not a strong commitment to those communities that desperately need help.

We have seen no compassion from this government or from this Premier for those communities that have experienced economic

disaster. He came to the north the odd time during the by-election; perhaps it was to pick up more money and bring it back south. When he came to North Bay, several groups had asked to meet with the Premier. Those that bought the \$100 tickets got to shake his hand.

Mr. Pope: The rest of them got the back of the hand.

Mr. Harris: The rest of them got the back of the hand.

Could I ask the member for Cochrane South to give the lines a second sooner? If I got them a second sooner I could get them out and it would flow better, I am sure.

While he was in the north, and the by-election came and that brought him to the north, he told several communities they could not expect the government to help them out; they should be looking for ways to solve their problems. The SBDC is one of those ways. Making it more attractive for northern Ontario investment by putting more money into the program is one of the ways that those of us in the north could have helped ourselves out. As we know, the Premier said: "You are on your own. We are not helping you. If you cannot do it, tough bananas."

Here was a way the government could have helped us do a little bit of it on our own, but it appears it does not want to give us a hand either, except for the back of the hand.

I guess it bothers people in the north when all this goes on at the same time as they see severance packages in the \$2-million range and Abe Schwartz, the Premier's friend, is able to pick up \$17.5 million for some high-faluting electronic museum in Toronto. Toronto really needs more government help. That \$17.5 million would go a long way towards helping northern and eastern Ontario.

This whole budget has been disappointing. I suspect it has been a disappointing budget to the government, because for the first time that I can recall in the history of Ontario politics a budget was introduced in the spring and nobody thought enough of it to debate the budget bills until after the summer recess.

It was going to help so bloody much. What did they do during the summer? They said, "They will all come into effect when they get royal assent." We asked, "When will they get royal assent?" They said: "We do not know. We do not want to do them in May. We do not want to do them in June. We do not want to do them in July. We do not care about August. We do not care about September. Maybe in October, when we

come back, we will start looking at the budget bills."

That is a joke. One has a budget that is introduced in the spring and takes effect in the spring. One gets the budget bills done and gets on with it. One sees what effect they have. Not all budget bills will be perfect. A budget makes a prediction of the future; it proposes some changes. We are not asking for a 100 per cent, crystal-ball look into the future that says everything will work perfectly.

I guess the government hopes to get these bills passed by Christmas. At the same time, I understand the Treasurer wants to start talking some time in November or December about the next budget. Here we are, halfway through October, before we have started into the first budget bill. I find it absolutely astounding that the government thought so little of this budget that it did not want to bring forward the legislation to deal with the budget bills.

I know the member for Cochrane South has a few points he would like to make on this. I yield the floor to him at this time to return at a later date on Bill 26.

Mr. Mancini: I want to say to the previous speaker that there was a very good reason there were not a lot of comments made on the budget. The opposition made very few comments on the budget because this was the first budget in a long time that had no general tax increases. That is one of the reasons the opposition did not want to talk about the budget.

Mr. Barlow: Because of good management from the previous government.

The Deputy Speaker: Order.

Mr. Mancini: The previous speaker seemed to indicate that there was really nothing going on around Queen's Park, that we had kind of shut the place down until October and that we could not do anything until we got back in the fall. As the House leader of the Conservative Party, he should know the difficulty we are having in the Legislature trying to do all the business that needs to be done because of the numerous things we have before us.

Because he was involved in the process, the member knows of the number of committees that had to sit this summer and of the number of the Conservative Party's own members who could not spend enough time in their ridings to do the things they have to do because of the obligations that were forced upon us by all the committee work we all had to do.

It is very unfair for the House leader of the Conservative Party to say that all the members of

the House were sloughing off all summer with nothing to do. He knows very well that all of us were working very hard, including his own members.

Mr. Harris: Perhaps I could respond briefly. I did not say all members of the House; I said the Liberal members. I was very specific and very partisan in saying the Liberal members of the House did not think the budgetary policy of their government was important enough to pass these bills.

The member also talked about there being no general tax increases. The last budget where there were no general tax increases was the budget of 1984, brought in by the now leader of Her Majesty's loyal opposition; there was not a single cent of tax increases. What has happened since then? We had a budget brought in with about \$850 million—close to \$1 billion—of tax increases. This budget has substantial hidden tax increases in it.

I do not have my budget document with me, but I will refer to it tomorrow when I talk on Bill 26 and read into the record the massive increase in revenue that this government is planning to take out of this province this year over last year. About double the rate of inflation is what they propose to take out of this province. In the budget, there are tax increases about double the rate of inflation that they plan to take in.

It strikes me that the member for Essex South (Mr. Mancini)—I have to be very careful how I phrase this—does a taffy pull with the truth.

18:10

The Deputy Speaker: I think perhaps you should rephrase that.

Mr. Harris: Stop the clock while you are interrupting me. I have another comment.

The Deputy Speaker: No. I think you had better withdraw that comment. Withdraw that and then rephrase as you wish.

Mr. Harris: Are you suggesting the comment I have used is unparliamentary?

The Deputy Speaker: That is correct.

Mr. Harris: If you say it is, I will withdraw it.

The Deputy Speaker: Thank you.

Mr. Harris: That is not the intent, but I will withdraw the comment. I see my time has expired.

Mr. Pope: I was not going to comment on the bill; I was going to leave it to my friend the member for Nipissing (Mr. Harris), who is a more capable spokesman than I am.

Mr. Foulds: So far, you are right.

Mr. Pope: With respect to the member for Essex South, whose private counsel I welcome but whose public comment is usually irrelevant—

Mr. Foulds: He is right twice in a row.

Mr. Pope: —there were tax increases in the last budget, seven different tax increases; and for the member to say there were not, I think he may have had a lapse of memory.

I want also to say that the economic situation in this province now vis-à-vis government revenue versus expenditure is a tribute to the governments of the past, not to this government. Everyone who understands financial and budgetary matters and financial forecasts of government knows that. We left the province in a good state financially. We left revenues.

Mr. Foulds: Ha!

Mr. Pope: All I can say to the member for Port Arthur is that I think there is a growing feeling in his party that the old days were better than the present days.

Mr. Foulds: They are all bad days.

Mr. Pope: They are all bad, are they?

I do not think the member for Essex South should be hung with being the spokesman for the government because there are no cabinet ministers in the Legislature right now—they do not think it is important enough to be here—but when there are spokesmen available from the cabinet, I presume they will answer not only for the increase in revenues but also for the expenditure levels, the waste of public money we have seen during the past two days.

Perhaps for a change they will answer the question about the hidden \$800 million in revenues that they are not telling the public about and that they are saving up for next spring when they roll out the goodies. Perhaps some spokesman from the government will have enough stature to stand up here in the House and tell it like it is in terms of revenues opposed to expenditures and what the true picture of affairs is in the government of Ontario.

With respect to small business, we have seen quite a manoeuvre by the government during the past four months—the member for Erie does not have to stay; I will be going for a while and he will be able to hear it.

Mr. Callahan: No. Let him go.

Mr. Pope: My friend the member for Brampton, who always sits in on my addresses—he always feels it is important enough to be here—

Mr. Callahan: I want to make sure the member is here all the time.

Mr. Pope: I am glad he is so concerned about it. I wish him good luck in his practice as well.

In northern Ontario, not only in the small business sector but also at the municipal level, we witnessed quite an operation by the Premier of the day. We have seen all the token appearances, the gestures, the media hype, the nonsense—which we call something else in northern Ontario—with respect to government programs that are going to help the north. We have seen it all summer and into the fall. We have had news conferences in Sault Ste. Marie, North Bay, Sudbury, Timmins and Thunder Bay. We have heard all the great announcements from this government to help small business in northern Ontario.

The Minister of Industry, Trade and Technology said it so well today. He cannot identify one single job that has been created in northern Ontario through his initiatives. He cannot identify one single laid-off resource worker in small business who has been employed in northern Ontario as a result of this government's initiatives.

What did the last government do?

Mr. Callahan: We are the last government.

Mr. Pope: Right.

We had 7,500 workers employed in the resource sector in 1984 under sections 38 and 39 of the Unemployment Insurance Act through the previous provincial government's initiatives. By 1985 that went to 10,000. The Liberals do not even have an employment program under sections 38 and 39 of the Unemployment Insurance Act. They do not think it is important enough to do it. They all sit there and accept what this government is doing to the people of northern Ontario as though it is all okay. There is not a single job under sections 38 and 39 of the Unemployment Insurance Act in place today in Ontario or in northern Ontario, a region that has more than 11 per cent unemployment. Those members are proud to sit there and heckle on behalf of that government.

What is the government's answer for single-resource communities that could use small business assistance, that could use some program to help small business develop? What is its initiative? The government has a conference in Sudbury to which only Liberals are invited. Only Liberal spokesmen are invited to the single-resource community conference. What does Liberal after Liberal come up to Sudbury and say? "Find your own solutions. You are on your own." This is the government of all Ontario telling the communities of northern Ontario they

are on their own. That is the Liberal answer to small business in northern Ontario: "You are on your own." No temporary employment programs; not a single employment program for laid-off resource workers, whether they are in Wawa, Sault Ste. Marie, Timmins, Terrace Bay or Thunder Bay. Nothing.

The government has the nerve to come in here with a program for small business in northern Ontario that is meaningless. It does not match what the government has said across the north in the past six months. More important, it does not match what the government has done in northern Ontario in the past six months. The Liberals have the nerve to sit there in self-satisfaction and think they have done a good job.

There is an unemployment rate in Sault Ste. Marie of 12.8 per cent, there is an unemployment rate in North Bay of 12.8 per cent, there is an unemployment rate in Sudbury of 15.5 per cent, there is an unemployment rate in Thunder Bay of more than 10 per cent—and the Liberals sit here in self-satisfaction talking about the Small Business Development Corporations Act. We have 25 per cent of the layoffs in this province in an area that has nine per cent of the population. They are satisfied to support that. Give me a break.

The government has done nothing in northern Ontario. It has all been optics and reannouncements of previous Conservative government programs. What did they announce in Timmins? I will tell the members. The Liberals came to Timmins with great fanfare for a command performance by the Premier. He got up and said, "We are going to have an aeromagnetic survey program west of Timmins." That program was scheduled in 1984. It was the fifth in a series that started in Kirkland Lake, went on to Matheson then south to Kapuskasing and west to Timmins. There was nothing new in that. It was already scheduled.

18:20

What did the government announce in Sudbury? It was going to move the Ministry of Northern Development and Mines to northern Ontario, but what did it do to that ministry before moving it? First, it kept all the best-qualified personnel in the Ministry of Natural Resources when it separated it. I am talking about the regional director of the Ministry of Natural Resources from Sudbury, Mike Klugman, who is a geologist. I am talking about Ray Riley, the regional director for the Ministry of Natural Resources in Cochrane, a geologist. I am talking about the personnel in the upper echelons of that

ministry who are geologists, put there by the previous administration and a previous minister.

Then the government gutted the ministry with respect to the mining tax people and moved them over to the Ministry of Revenue. Whatever was left of the mining lands branch, it will move to Sudbury in three years' time. Not now; in three years' time it is going to happen, they say. That is what the government announced in Sudbury. It never asked any opinions from the mining community. It never dealt with the Ontario Securities Commission needs of the north when it was making these decisions.

Then the government goes to Sault Ste. Marie. What is its answer to the Algoma Steel people in Sault Ste. Marie or the iron ore miners in Wawa? They are going to move a couple of hundred positions from Toronto, take the Toronto people and put them in Sault Ste. Marie. Name me one laid-off worker in Sault Ste. Marie or Wawa who is going to get the benefit of that program.

What else are they going to do in Sault Ste. Marie, as they announced with great fanfare and had all of their supporters saying it was the best news they had heard in a decade? They put a few thousand dollars into a fisheries improvement program to enhance tourism. That was started in 1984, when I was Minister of Natural Resources, in co-operation with the Sault and District Anglers' Association after full public consultation. All they did was reannounce something that had already been done.

What did they do in Thunder Bay with another great fanfare? They had their supporter Dean Rosehart there. What did they do? They announced \$4 million for Lakehead University, a project that had already been approved before the change of government. That was no new initiative at all. They announced more than \$1 million in the forest technology unit. That was the fifth unit in Ontario. It was an initiative of the previous government.

It is all optics. It is all political nonsense. It is all media hype. They have not addressed the needs of northern Ontario. They have not developed a single new program for northern Ontario in their 18 months in government, not one, and they have the nerve to sit here today and say they are addressing the needs of northern Ontario. The Minister of Industry, Trade and Technology says he has created jobs up north and he cannot name one single project that has been created.

Mr. Ferraro: That is wrong.

Mr. Pope: The member opposite says it is wrong. Maybe when he has been here longer, he will know what is going on.

This bill does not address the needs of the north or the needs of small business in the north. One of the things they are attempting to encourage, they say in their media hype, is the small business access to milling facilities in northern Ontario. Here is the greatest hypocrisy, which so represents the Liberal Party of Ontario.

We put a custom gold mill in my community in 1984. It was the fourth one in the province. We also had one on the shores of Lake Nipigon, we had one in Kirkland Lake and we were developing one in the Thunder Bay region. Timmins was the fourth. It was a pilot project. It was for the sampling of ore from small- and medium-sized mines in order for them to generate capital to reinvest in their properties, to bring these mines on stream, to give them the capital to allow them to expand and to employ people.

What has this government actually done, as opposed to the nonsense that is reported in Toronto and the nonsense that is spoken in this Legislature? The Ministry of Natural Resources has gone across northern Ontario and said there is no need for custom milling facilities in northern Ontario at this time, in spite of the unanimous opinion of people involved in mining exploration and development and the unanimous opinion of the small mines sector in northern Ontario that we need a large custom milling facility to bring these projects on stream to employ people in different parts of northern Ontario.

The minister has the nerve to say today that this bill is going to encourage milling facilities in northern Ontario. What a bunch of nonsense. In other ministries—the Ministry of Natural Resources and the Ministry of Northern Development and Mines—they have turned it off. They have said the program is not going to be available; there is no way they are going to support the development of these milling facilities.

What about the small business sector with respect to reforestation? If the minister thinks he is doing such a great job for northern Ontario in the reforestation business, he should go and meet with the small, private entrepreneurs that we have involved in the reforestation program and ask them about the audit they had to go through for the last year in the hope this Liberal government could catch the former Minister of Natural Resources, the member for Cochrane South, on the take.

Go and ask them what they had to go through. Go and ask them what they found. They found absolutely nothing, other than a commitment to get small businessmen involved in reforestation

in northern Ontario in small one-industry communities, so that there could be some diversification, so people could get some jobs. They found nothing because it was a legitimate program of the Conservative government.

Ask why the Minister of Natural Resources is cutting off that program and undermining it by public and private activity; then tell me to agree that the small business sector is an important part of the future of northern Ontario. Carry on with the hypocrisy, talk about what he wants to talk about here and then tell me what is really going on in the way the government is conducted in the province, with small businessmen having to put up with that nonsense for partisan political purposes out of this new government in Ontario.

Do not tell me that because I know exactly what went on and why it went on. The government has systematically stopped the development of the small business sector in the natural resources industry in northern Ontario with its policies. There is nothing here to encourage them. They have been turned off through the Ministry of Northern Development and Mines and through the Ministry of Natural Resources. It is a shame to sit here today and say the government has the answers for northern Ontario and that this bill represents its initiatives to help small business in northern Ontario.

We have a situation where the figures from the Ministry of Labour condemn the government's inaction. In northeastern Ontario, there is 11.3 per cent unemployment. I have talked about the specific communities. What about the specific layoffs? What about the Kidd Creek workers in Timmins? What help were they given? What has been done for the 250 people who were laid off in Timmins with respect to Kidd Creek Mines? Name one person who has been helped by the government? The manpower adjustment committee was not even set up until I threatened to make it an issue.

There has been no section 38 or 39 help for temporary employment anywhere in the mining sector in the community of Timmins. There have been no answers from the Minister of Labour, who systematically stonewalled every request in writing and verbally to obtain information on what they were doing. There has been absolutely nothing for the laid-off workers of Kidd Creek.

What has the government done for the laid-off workers at Algoma Steel in Sault Ste. Marie? How has the private sector been opened up for the

small business sector? Can he name one laid-off worker at Algoma Steel the government has employed with all its grandiose schemes and media hype down here in Toronto? Can he name one iron-ore miner in Wawa that the government has employed as a result of its imperial tours of northern Ontario? He can be head of the red army all he likes, he can get his picture in *Toronto Life*, in *Cosmopolitan*, he can be father of the year, he can do whatever he wants, but tell me what has been done in substance for the people of northern Ontario? What has been done for the small business community in northern Ontario?

A few token pieces of legislation were introduced and, at the same time, under the table the knife was put between the ribs. The government has systematically denied employment and economic opportunities for the people in northern Ontario. Does it think it is going to get some bills through this session? It should come up with some comprehensive policies for northern Ontario and come up with an employment strategy for the region with the worst unemployment in Ontario. Come up with that policy.

Mr. Callahan: It would not matter. Those guys would filibuster it anyway.

Mr. Pope: To the member for Brampton, I say—

Mr. Callahan: The member represents the north and he stands over there and filibusters.

The Deputy Speaker: Will the member for Brampton please let the member for Cochrane South finish? I draw your attention to the clock.

Mr. Pope: I heard a member talk nonsense for an hour yesterday when he spoke as chairman of a committee and tried to put his own interpretation on a report, an interpretation that was not accepted by anyone on this side of the House. The member has the nerve to talk to me about a filibuster. I can tell my friend I am just getting started. This government is a joke; it is a disgrace.

The Deputy Speaker: Order. Perhaps the member for Cochrane South will move adjournment of the debate.

On motion by Mr. Pope, the debate was adjourned.

The House adjourned at 6:30 p.m.

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Journal

Official Report of Debates

Legislative Assembly of Ontario



Second Session, 33rd Parliament
Thursday, October 16, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, October 16, 1986

The House met at 10 a.m.

Prayers.

Mr. Callahan: I rise at this early hour of the morning to indicate that my privileges as a member of the assembly are being infringed upon in the light of the fact that there are—I was going to say there are no Conservatives present in the House, but there is now one. Thank you very much. I do not believe my privileges are now infringed.

The Deputy Speaker: I do not think that was a proper point of privilege.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

MUNICIPAL AMENDMENT ACT

Mr. Breagh moved second reading of Bill 16, An Act to amend the Municipal Act.

The Deputy Speaker: The honourable member has up to 20 minutes for his presentation and he may reserve any portion of this for the wind-down.

Mr. Breagh: The bill before us this morning is a rather straightforward bill. Some may question the need for it, actually, because it is virtually the practice in most of our major municipalities, for example, to keep accurate records of the proceedings of the municipal council, to provide to the public copies of documents that the council uses, to provide the public with a reasonable amount of information and to meet and conduct public business in public, which is of course what I think all of us would expect.

The problem occurs around the rather unusual fact that nowhere in the Municipal Act does it lay out a legal requirement for a municipal council to meet in public, nor does it clarify what in the way of documentation is available to the public.

So we have on a regular basis now, each and every calendar year, people writing to all members, I am sure, from various parts of Ontario, saying things that seem to us to be a little ridiculous. For example: "I went to my local municipality and asked them for a copy of a bylaw. The municipal clerk said: 'We do not provide the public with copies of our bylaws.'"

In some places, albeit relatively few, the clerks say: "We do not have copies available. We keep them written down in a ledger book."

That is how the bylaws are kept. I had a woman come to me last year from a small town in eastern Ontario, who had gone to her municipal clerk and asked to see a bylaw that would affect her business. The clerk's response was: "We have never made copies of our bylaws. We have them handwritten in a ledger book. I will tell you what the bylaw says, but I will not provide you with a copy of it." In this day and age, that is an unacceptable way for municipalities to do their business.

As it is now stated in the Municipal Act, I understand there is no requirement to provide the public with this information, but I think practice has made it an acceptable criterion to say that any reasonable document a council may use in its deliberations, certainly any document that may have passed through the council and is a bylaw of the municipality, is something that should be readily available to the public.

It would be akin to Ontario passing laws and then saying to our residents, "You do not have any right to see the law that governs you." That would be a ridiculous, untenable situation. Unfortunately, in some municipalities that is the current practice. I think that is wrong and should be changed, and that is precisely what this bill does.

Second, the bill addresses the problem of the right of council to meet in private when it is dealing with the public's business. The bill says it has that right in very limited circumstances. I am not making an argument that every time a municipality deals with a personnel problem, for example, it has to do so in public. It seems to me that is not appropriate and there should be an exemption for that; or when a municipality attempts to acquire property for a park, an arena, an overpass, a road widening or whatever. There will be occasions when that is better done privately, because to negotiate publicly would simply drive up the price of the property. There are reasonable exemptions in the bill that say where reason prevails, a council may from time to time do its business in private. However, the

general rule is that when it conducts public business it must do so publicly.

For those of us who come from larger urban municipalities, that is the practice. Ever since I can remember, the practice in my home municipality has been that, except for those few occasions when the council is dealing with a personnel matter or acquiring property, it meets publicly. Even its committees meet publicly. There will be some exceptions where it receives briefings from staff or some confidential information is exchanged, but by and large, the business is transacted in public.

Unfortunately, that is not the case across Ontario. In too many of our municipalities, the council gathers in the reeve's or mayor's office and decides what to do. It will often then go into the council chamber and pass the required bylaw, and only then will it tell the public what the new bylaw is all about. This is an unconscionable practice in this day and age. I do not think it is acceptable any longer in Ontario to make that practice legal. In that regard, the bill essentially says, with certain specific exemptions, the public business of Ontario will be conducted in public.

Those of us who have sat on municipal councils and been in this chamber for a while know that the times one gets into hot water politically are the times when one has made a private deal. That is almost an axiom. When one closes the doors and conducts the public business of Ontario privately, one gets oneself in hot water and it is only a matter of time until it hits.

There is case after case in municipalities in Ontario where people have gone to a conference somewhere and met a business owner who wanted to operate an incinerator. It sounded very good at the time in the Royal York Hotel suite. They went back home to wherever it was and discussed it in private. It sounded very good to each and every member of the council. Then they said, "Let us do this," and passed a bylaw that would allow that business to practise in their municipality. The citizens were outraged that this could happen in their community. They were given no notice and no opportunity to voice their concerns. What started out as a very reasonable way to proceed to everybody who had been involved until that date got everybody in hot water.

This bill would alleviate that problem in some sense. It requires simple things such as notifying the public when the council is going to do something by providing a public hearing process when it is going to do that or by providing an occasion when the public can voice its opinion.

After that input has been received by the council, then it is free to make its decision, but it makes it in public. That establishes the process we want.

We can all think of comparisons when this chamber has got itself in hot water by meeting behind closed doors privately, by precluding the public from knowing what the Legislature was up to. There is an old axiom in this business that the proper way to proceed is to follow the old and simple rules: provide notice to people of what you intend to do; make your decision in public; and, finally, let everyone know what the decision was. Those rules are the basis for this bill. It is basically that kind of commonsense stuff.

10:10

Let me go to the downside of the bill, because I have had two letters from municipalities that have said this bill will cause them to spend some money. That is true. Let us not deny that. If they are going to notify the public, they are going to have to put ads in newspapers. That is going to cost a few dollars, depending on how expensive advertising is in their area. If they are going to hold public hearings, that too will cost money; no question about that. If they are going to provide to the public written copies of bylaws or planning documents, for example, that is going to cause some expense.

Some municipalities have said this is a nice idea and they would like to do it but it costs money and seems unnecessary. Let me simply try to address that question in this way. To me, it is a simple choice of whether the public's money should be spent in notifying the public of the council's activities, in notifying them that a bylaw is about to be presented; a little bit of money would be spent in providing for a public hearing and in providing written documentation of what was the business of the council.

That is true and undeniable, but I ask that to be weighed against the current practice, where those things are not done. It is becoming more and more common that people out there are going through the courts. To defend themselves, sometimes against some rather unconscionable transactions, municipal councils are having to get their lawyers and go to court to respond.

That is the price to pay for not providing proper notice. In the litigation I have followed, it is virtually true all the time that if a council made its decision in private and did not notify the public, that is generally held to be reasonable grounds to throw out the decision of the council in most of our court decisions now. The courts are now saying to councils, "You must conduct your public business in public, you must provide

proper notice, and you must provide the public out there with proper documentation of what you have done."

The choice is either to spend the money initially—in this case, minimal amounts of money—to provide proper notice and proper documentation to the public at large or to spend much larger amounts of money in litigation in the courts afterwards to try to defend the actions of the council. Almost inevitably now the result is going to be that if that has been done privately, the actions will be overturned by the courts.

There is a slight cost factor involved for most of our municipalities in adopting this bill. For some of them—for example, in rural Ontario—the costs will be very minimal, simply because the cost of putting an ad in a weekly newspaper in most of rural Ontario is not great. The cost for providing information will be not particularly great. Most of our municipalities have adopted this practice, but there is nothing in the Municipal Act that requires them to do so, and unfortunately a few of them take advantage of that.

That is the gist of the bill. It is a rather straightforward, commonsense approach to providing an answer to a problem that already exists. The courts are getting clogged up with citizens taking municipalities to court over the way they made decisions, and more and more decisions by municipalities are being overturned.

If we give it a couple more decades, history will show we are going to have to do this anyway. Whether or not members like this approach, whether or not they want to put this into law today, sooner or later the courts are going to make us. Just by virtue of the demand of the legal system, the courts will demand that municipalities do all these things: that they do it publicly, provide proper notice and write the proper documentation for their actions.

That is the straightforward proposal in Bill 16. I believe it is supportable. I do not think it is going to cause a major problem for anyone, but it does address a recurring and vexing situation in many of our municipalities.

Let me close this part of my remarks with one simple comparison. I know of a municipality that had a proposal from the private sector to provide a disposal system for hospital waste. One municipality took that proposal through a public process. It identified the proposal to the public, it held a series of public hearings and it made its decision in public. Now that decision is one with which one can argue about the merits of the particular case, but one cannot get off on a

technicality that they did not say what they were going to do.

I know of another municipality in Ontario that took the same proposal virtually from the same company and made its decision in private. It did not notify the public that this kind of proposal was before the council, but simply passed the bylaw allowing that proposal to be implemented. That municipality now is going to be faced without question with a long and expensive litigation process by citizens who demanded the right to know what their municipality was doing. Whether it was a good decision or a bad decision, the practical reality is that the decision will not be made until the courts deal with the matter.

In my view, it would be far better for the municipalities to take the first option, namely, notify the public, provide the documentation, provide the place for public hearings and then make its public decision. Then if one wants to argue with whether it is a good idea or a bad idea, one is not off on a side street arguing about whether they did this as a private deal or not.

Basically, that is what Bill 16 would do. It would say to every municipality in Ontario that it now has a legal obligation under the Municipal Act to conduct the public's business in public and to provide the public with enough notice and enough information about its decision-making process that they can be participants.

I hope members find that an acceptable proposition and will support this bill. I will await with great interest their comments on it. I believe I have about six minutes and 44 seconds left.

Mr. Callahan: It gives me great pleasure to speak with reference to this bill. I understand the intent and purpose of my colleague in putting it forward. One of the difficulties I have is that the bill itself, in my humble opinion, could result in a massive amount of additional work for the people involved in the infrastructure of the various councils and local boards, as defined by the Municipal Affairs Act. The Municipal Affairs Act defines a large number of bodies; each one of these, if this bill were passed, would be governed by that code.

There is no question that government behind closed doors is really no government at all. Open government is the aim of every fair-minded person, and it has certainly been the step that has been taken with reference to the introduction of this government. I think we should emulate that throughout the entire province.

It has been my understanding, and I think the member for Oshawa (Mr. Breaugh) acknowledges this, that for the main most municipalities

do conduct their affairs out in the open. There are times when they go in camera; that is usually done on the basis of a flexible arrangement when they feel they are dealing with a sensitive issue, be it personnel or real property or something that might be damaging to the city in terms of prior information getting out so that someone could take advantage of it financially.

In my council in Brampton, I have found that we have been very sensitive to that issue. In fact, I cannot recall any occasion where one of the council members did not actually challenge the validity on certain occasions when we did go in camera. Then we would have a great discussion in camera about whether we should be in camera.

I have to disagree with the member for Oshawa in this respect, that although the Municipal Act—I have not checked this out and I take his word for it, as he is a thorough gentleman—does not provide for meetings being held in the open or out in the public eye. It is a principle of the law which has been with us since time immemorial that natural justice requires that proceedings be conducted in a fair, open and impartial way. I would suggest that if it were not so, or if proceedings were carried out in an inappropriate fashion, they would certainly be subject to judicial review.

I would like to go to the bill itself. As I say, I understand the principle the member is trying to bring forward. It is somewhat in line with his previous requests and wishes that we revise a lot of the proceedings in the House, and it is not out of context with the way he has acted and thought before.

10:20

If we look at the bill itself, subsection 55(1) says that all meetings “shall be open to the public and no person shall be excluded therefrom except for improper conduct.” A whole host of problems arise. What is improper conduct and who makes the decision as to what is improper?

It may well be that on a particular evening, when the head of a local body or council may have got up on the wrong side of the bed, he may very well make a decision based on the way he felt, or perhaps the way he felt about the people appearing before him. With respect, I suggest that without there being some very clear definition of improper conduct, I, as a citizen and a ratepayer of the community, would be very concerned about being hauled out of a meeting or disallowed from attending a meeting without knowing what the yardstick is.

In addition, subsection 55(2) says, “The head or other presiding officer may expel or ex-

clude....” I am not sure what the difference is between expelling and excluding. Is expelling when the Sergeant at Arms throws someone out of the chamber or is exclusion when one is named and told to leave the chamber? I know I am nitpicking and I do not mean to be, but this is a very significant piece of legislation. If it does go through, a lot of these issues could create very many more problems for us in terms of litigation than we have at present.

I go on to subsection 55(3), which is mandatory. It says, “Notice of a meeting mentioned in subsection (1) shall be published not less than three days before the date of the meeting.” Mr. Speaker, you will note that there are a number of items that have to be published. Clause (c) is “a list of the items to be discussed.” This is analogous to a company meeting being called for specific reasons.

What if the notice that goes out does not contain certain items of importance that are to be discussed? Does that mean the council cannot discuss them? In some respects, it might shorten council meetings if one knew definitively beforehand what was going to be discussed. It might preclude a common practice among all councils that additions come in at the last minute and nobody understands what they are. In that respect, I agree it would be a good idea, but I can see a host of problems that would arise.

Subsection 55(4) says if a report is prepared in connection with the matter, copies of the report must be available for inspection by the public at least three days before the date of the meeting. What happens if a report is available on the night of the meeting? Does that mean it cannot be considered? Because it has not been made available to the public, does that mean it cannot be considered?

I note there is a caveat that it does not apply to special meetings, but there are also requirements under the Municipal Act for the calling of special meetings, time limits and so on, that may be governed either by that legislation or by the specific rules of the council.

In my area, we have had television coverage for a considerable time. Television is probably by far the best watchdog on the actions of elected representatives. I suggest with some trepidation it is even better than the press, because very often the press send to the meetings the least experienced reporters, who may not be quite as zeroed in on reporting of the municipal proceedings. In addition, because of the lack of space in newspapers, it becomes difficult for the full text,

or perhaps the most pertinent text, to be put in the papers.

Television is the modern way of ensuring that everybody is playing properly. We have all seen what an excellent tool it is in deciding whether it was a ball or a strike, whether there was a tie in favour of the runner or whether the umpire called the right play. The same thing exists, and probably more significantly, in the question of conduct of proceedings by local boards, municipalities and so on.

There are other concerns I have with the bill. Subsection 55(6) says, "On the authority of a majority of the members present, expressed by resolution in writing, a meeting mentioned in subsection (1) may be closed if and for so long as it relates to a matter mentioned in subsection 78(1b)."

Subsection 78(1b) of the Municipal Act is far broader than the provisions set out in subsection 2(1b) of the bill. It means that one would have difficulty understanding the rules and how a meeting might be closed. For that reason I have some grave concern.

As I said, I appreciate what my friend is trying to do. Certainly, it is the endeavour and the goal of every one of us as legislators and also as free citizens in a free society to be assured that the conduct of proceedings is fair and in accordance with natural justice.

I suppose the final, ultimate tool of the public, if they are not satisfied that we are conducting ourselves in a safe, fair fashion, is their vote. That is particularly true in municipal matters. If the electorate were more involved and more devoted to getting out to vote on election day so that there were turnouts at municipal elections in excess of what is normally the number, some 12 or 13 per cent, the public would be best protected by their vote. It is important that we, as legislators, the press and all other types of media bring to their attention the importance of that very significant right.

Mr. Partington: I wish to indicate my support for the spirit of the bill as brought by the member for Oshawa.

The thrust of the bill is to ensure that the public has access not only to council meetings, as is currently provided under the Municipal Act, but also committee meetings of councils and local boards. Furthermore, the legislation is designed to provide the public with access to reports and records which are usually prepared by municipal staff in connection with items to be discussed at council or committee meetings.

There is no denying that these measures, along with the requirement that there be proper notice of the meeting, are capable of fostering two key components upon which the democratic systems of government rely. Clearly, these two democratic principles—open decision-making and full and complete public debate—would be assured on a province-wide basis under the thrust of the proposed bill. Another benefit that this bill seems to be addressing is the establishment on a province-wide basis of a code of conduct.

Although such uniformity across the province will provide our mobile citizenry with a measure of consistency in municipal rules and regulations, this bill might limit—and this may be the criticism of it—the flexibility required to meet the local needs and circumstances of our municipalities.

In this regard, my colleague the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) will be speaking about the specific problems based on smaller rural communities in Ontario and the inability of this legislation to address their particular needs.

It is also important to mention that ensuring openness and access to government decisions at any level requires an attitudinal change, not merely a legislative one. Even with these amendments in place, a municipal council through creative resolutions could call for special meetings or deem an item under discussion to fall within the exceptions outlined in the act.

This in turn raises the question of how these provisions would be enforced. This is not to suggest that freedom of information or procedures rules are not required at the municipal level. There is clear evidence that they are needed.

One must only look at the activities in the town of Vaughan recently to see just how desperately these type of rules are required. In Vaughan, the town council had a series of in camera meetings that culminated in council's decision by a slim three to two majority, against recommendations of town staff, to sell 15 acres of town-owned land to two companies at a price which was considered below market value.

It was only through the public outcry that arose that council agreed to reconsider the decision and insert a clause in the agreement of sale requiring the price to reflect the results of an independent appraisal. This matter remains up in the air as local ratepayers have requested the Minister of Municipal Affairs (Mr. Grandmaître) to initiate an inquiry into this matter. I urge the minister to accede to this request.

10:30

To ensure that events such as this do not occur in other municipalities, rather than this legislation, which establishes province-wide rules which may or may not be suitable for all of the municipalities, consideration should be given to legislation that will require all municipalities to pass procedural bylaws which at best meet certain minimum standards in the areas of freedom of information and open meetings. Such a step would still allow some degree of flexibility, so that each bylaw could meet local needs and circumstances.

Furthermore, it would appear that the majority of our municipalities, and almost all of our larger municipalities, as the member for Oshawa has indicated, already have bylaws of this nature in place, making inflexible province-wide legislation redundant.

Our elected municipal officials must be allowed to be masters in their own house. After all, they are ultimately responsible to their electorate through the ballot box. Accordingly, it should be the municipalities themselves which determine what would be appropriate rules and regulations governing their decision-making process. Thus, although I support the spirit and the thrust of the bill and the manner in which it was presented by the member for Oshawa, I cannot support the methods being taken to address the issue.

Mr. Warner: I do appreciate the opportunity to participate in the debate on this bill. Following what has transpired the past two days in this House with respect to a community in the north, it is not a surprise that the member for Brampton (Mr. Callahan) appears very negative on the bill presented by my colleague. Apparently, the new Liberal government does not have quite as much interest in expanding the democratic process as we have in this party. A little community in northern Ontario wanted to follow the democratic process and have an election. This government does not think elections are such a terrific idea and it would rather appoint people than hold an election.

Mr. Martel: Except in Cochrane North.

Mr. Warner: Other than Cochrane North where they have elections quite regularly.

I do not know how anyone could deny that it is a good democratic principle to have open meetings of people who are elected locally to represent the people in the area. Why should the meetings not be public? Why should they not be open? Why should there not be minutes kept of those meetings?

All of us are well aware of the history of some of the municipal councils. If we go back a way to reflect on my area, it was known that in Scarborough at one time meetings were held in secret and some very important decisions and, in particular, some really interesting land deals were consummated behind closed doors. No minutes were kept, and one could never really trace the culprits. Fortunately, as far as council meetings are concerned, those days are gone. Minutes are kept of all actual council meetings, but not for the committee meetings. I think that is a flaw. There is a weakness there.

Surely it does not make any difference whether it is at the municipal, provincial or federal level; the idea is that if one has elected people to represent them, then those who are elected have a certain responsibility to the public. They have a responsibility to stand up for their actions, to be accountable for their actions and to be accountable for their words. In municipal councils, they do not have Hansard the way we have here. When we speak, everything we say is recorded and we are responsible for what we have said. Anyone can throw those words back at us. That is proper and that is the way it should be. If I make intemperate remarks, I may pay a price for it. All remarks are recorded.

Until relatively recently, municipal councils had the luxury of being able not only to say what they liked without anyone knowing, but also to make decisions without anyone knowing. Municipal councils handle important issues and a lot of money. It seems to me that along with the province's provision of more and more responsibilities to the municipalities comes an onus to hold meetings in public and to keep records. Procedures are needed.

To answer some of the questions of my colleague the member for Brock (Mr. Partington), it may be a good idea to obligate the municipalities to set up a certain set of rules, rather than spell them out here.

My colleague the member for Oshawa has presented us with legislation that is needed. When it goes to committee, we can hear the representations from various municipalities about what changes, if any, they would like to see and what changes other members in the House would like to see. Perhaps it will be the collective wisdom that we should simply obligate the municipalities to set up certain rules of conduct, or however one wants to describe that, or it may be our wisdom that we should prescribe the rules.

To a certain extent, it may not make a whole lot of difference. I suggest we pass this bill, so it

can go to committee and receive further input and debate. I hope no one in this chamber would deny that the principle espoused in this bill is a good, sound democratic one. It is one that should be supported.

If anything, I do not think the bill goes far enough in describing some of the changes that are required in the way the municipalities function. Perhaps it was not possible to include them all in this bill. When I think of some of the things that to me are still wrong with the municipal system, I think of things such as people being able to collect money to run for public office and not having to disclose where the money came from or how it was spent.

We know that with municipalities, especially the ones with which I am familiar in the outlying districts of Metropolitan Toronto, the number one item seems to be the allocation and development of land. The municipalities are very close to that. There is a lot of high-powered economic interest involved. As a citizen, I want to know where the money came from for the person who was elected in my area. We in the Legislature have to disclose our sources of election funds and we have to account for the money that is spent; municipal people do not have to do that. To me, this is a flaw, a weakness. In my book, everything we can do to help democratize the municipal system is a good move.

I urge members to pass this bill today and allow it to be worked on in committee to strengthen it and make sure it is something all the municipalities will adhere to and something we can be very proud of. We will have taken another step in strengthening the democratic system in which all of us believe so strongly.

10:40

Mr. Reycraft: I congratulate the member for Oshawa for bringing Bill 16 before the Legislature. Regardless of the outcome of this morning's debate and vote, I am sure there will be a certain amount of media attention that will result from it. I am sure the member will make sure this attention is received. That attention by the media will be helpful because it will result in two things. The first is a broadening of the public's knowledge of its right of access, the maximum access possible to municipal council meetings and to the various pieces of information that are in the possession of a municipal council. It will also, I am sure, broaden the awareness of municipal councils of their responsibility to provide the maximum access possible.

Like the member for Oshawa, I too have spent a number of years in municipal government. Because of that, I have a very keen interest in the municipalities across this province, their councils, governments and the legislation and regulations that govern them. Therefore, I am pleased to have an opportunity to speak on Bill 16 today.

Bill 16 addresses a very important issue. As the member for Oshawa has stated, or at least implied, whenever a political issue at any level of government is withheld, whenever a government, whether it be provincial, federal or municipal, tries to shroud an issue in secrecy, it tends to stimulate a lot of things that are not helpful and a lot of things that are undesirable. It stimulates distrust, hostility, confrontation and suspicion, a lot of things which that particular government would do better to avoid. When a government, at whatever level, does that repeatedly, it finds itself in a situation of facing repeated, even continuous, confrontation with its electorate.

When it tries to shield itself from that electorate, it deprives citizens of their right to view the decision-making process. When it does not allow them to see documents or correspondence, not only are the citizens deprived of their democratic rights, but the council deprives itself of an opportunity to enjoy a positive, harmonious, co-operative working relationship with the people who put it in office. When that happens at the municipal level, the level of government that is closest to its electorate is unable to function as it should, and the system breaks down.

Bill 16, in my view, is a commendable attempt to prevent that from happening. It tries to achieve a greater degree of openness in the way in which municipal councils, committees, boards, commissions and authorities go about their business. There is a need in many municipalities to reduce the number of closed meetings and to reduce the amount of business that goes on behind closed doors. There is a need to make it easier for people to see documents and correspondence. We all know of examples—we have heard of some this morning—where the public's right of reasonable access to meetings and information has been and still is unduly restricted.

However, while the bill's objective, to provide more open municipal government, is a good one, and while there is a need to reduce that degree of secrecy in some municipal jurisdictions, the bill as it is drafted will not achieve that. Instead, I suggest, it will only increase the cost of municipal government in all jurisdictions, and it will fail to provide more openness in those where

it is needed. I suggest—I am sure it is inadvertent—the bill will result in an increase in the number of closed meetings in almost every municipality in this province.

The bill would require councils, committees, boards, etc., to publish at least three days before every meeting, not only notice of the meeting but the agenda as well. It also provides, except in certain specified matters on which the council or the committee may vote to go in camera, that those meetings shall be open to the public.

Subsection 55(5) of the bill exempts special meetings called under subsection 78(1) of the existing Municipal Act from both the publication and the open meeting requirements. The bill does not define “published,” but I assume it holds the same meaning as it does in other sections of the Municipal Act. If that is the case, then municipal councils that are served by weekly newspapers are going to have to set their agendas for council and committee meetings several days before the meetings.

10:40

To illustrate that problem, let me use the example of Glencoe, where I was a member of the municipal council for 15 years, including five as reeve. The Glencoe council is a very fine group of people. I say that in complete objectivity, even though one of the members of that council happens to be my father.

The council meets on the first and third Mondays of every month. The standing committees of the council meet on the second and fourth Mondays. The weekly newspaper, the Glencoe-Alvinston Transcript and Free Press is published every Wednesday. To meet the newspaper's deadline, the agenda is going to have to be submitted on the Monday before the meeting, one week prior. Recommendations from the committee meeting that take place on the evening of that deadline date, the submission date, will have to wait until the following council meeting, which could be as long as four weeks away.

The three-day publication notice is simply not a practical requirement for municipalities. It is also not in the best interests of the public. Matters that require attention in municipalities often do not arise until just prior to a meeting. In fact, sometimes they do not occur until the meeting itself, when delegations make council aware of particular concerns. In those cases, the matter would have to be tabled until the next meeting or until a special meeting could be held. According to subsection 55(5) of Bill 16, the public would not be guaranteed access until that kind of meeting could be called.

It has always been my view that one of the greatest attributes of municipal government is the ability of a municipal council to respond quickly to the interests and concerns of its citizens. In attempting to correct one problem, Bill 16 will create a larger one by diminishing that ability.

The alternative to delaying a decision would be to use subsection 57(2) of the existing act and deal at a special meeting of council with the matters a council deemed urgent. I have already mentioned that subsection 55(5) of the bill allows those meetings to be held in camera, to be closed to the public. I suggest that municipal councils, instead of deferring action, because they are people who want to respond to the needs of their electorate, will take the latter alternative and will end up with a proliferation of special meetings, many of which the public will be unaware of.

Another problem with the published notices is the cost. The publishing of a notice of meeting for every meeting of council, every board meeting and every committee meeting is going to be very expensive for municipalities served by a large number of newspapers. In Middlesex county, for example, there are six weekly newspapers. The county council has nine standing committees, plus five other committees that are joint with the city of London. The council and all those committees meet at least monthly and sometimes more often. The bill would require the council to publish at least 84 notices every month.

The city of Thunder Bay has written to the Minister of Municipal Affairs (Mr. Grandmaître) to express its concern about the cost of Bill 16. Perhaps the member for Oshawa has received a copy of that correspondence. They have suggested that the cost of advertising as a result of the bill might be as high as \$88,000 a year.

There are other aspects of Bill 16 with which I am concerned, but in conclusion I want to state again that I support the objective of providing maximum public access to municipal meetings and to the documents in possession of those councils. We will not achieve that through legislation. We are going to achieve that only through continued interaction and co-operation between democratically elected councils and the electorate that put them in office.

10:50

Mr. J. M. Johnson: How much time do I have, Mr. Speaker?

The Acting Speaker (Mr. Morin): Five minutes.

Mr. J. M. Johnson: I am pleased to have the opportunity to speak on this bill. While I do

support the thrust of the bill, I have a great many reservations about it. The member for Middlesex (Mr. Reycraft) mentioned many of the concerns that I too want to express, and the member for Brock (Mr. Partington) as well.

To start with, I have to take exception to the explanatory note presented by the member for Oshawa, which reads, "Under the present law, the public is not permitted to attend committee meetings of municipal councils or local boards." I have checked with the Ministry of Municipal Affairs, and I find this to be inaccurate. They may attend if council so wishes, but they are not denied the right to attend.

Mr. Breagh: On a point of order, Mr. Speaker: I am afraid the member has given some wrong advice here. The public do not have a legal right to attend a committee meeting of a council. They may attend at the council's pleasure, but they have no legal right to be there, and that should be clear.

Mr. J. M. Johnson: This highlights one of the concerns I have with the legislation that is drafted. It is not totally clear. It is going to be hard to determine how one is going to solve the problems related to the different interpretations that can be drawn from it.

For example, there is a clause which states that notice has to be given three days prior to a meeting. If a council inadvertently does not give three days' notice—if it gives only two days' notice—what is the penalty it pays if it has proceeded with a project, such as building an arena? Can a citizen come along at some point and say he was denied the proper three days' notice, and the project is not legal? Who is going to place it? How are we going to set penalties, and what will the penalties be? These are all implications that will arise out of this.

One is highlighted by the fact that my understanding of the explanatory notes is not the same as that of the member for Oshawa. The Ministry of Municipal Affairs does not think the same way. These are all problems that relate to this type of legislation.

I have the honour to represent 21 local municipalities; each has its own local council. In the 11 years I have been at Queen's Park, I cannot recall more than two or three complaints regarding the issue we have in front of us today. My councils operate in a very open and acceptable fashion; they provide all the information the voters request. I have always felt we should leave local autonomy with the local municipalities. If they do not serve the public

well, they will answer for it at the next election. That is what the democratic process is all about.

To me, Bill 16 is just another layer of bureaucratic red tape to smother further the local autonomy of our municipal councils. While the intention of the member for Oshawa is good, the same results could be achieved by encouraging municipalities to accept a procedural bylaw that would bring about some type of similar information process without the heavy-handed, bureaucratic red tape that goes with this legislation.

I have had the opportunity to serve on municipal councils, as have several other members, and in my experience of 10 years on council I do not recall an occasion on which the press or the public were upset because they did not have the opportunity to receive all the information that was necessary. The way most councils operate in committee is that when they report out of committee, they go to council, it becomes public information and all the citizens are made aware of the activities carried on in committee, with the exception of some matters that are of a personal nature, such as police or maybe an industrial expansion project.

I urge the members of this House not to support this legislation, for the reason that it will create more problems for the municipal councils, not fewer. Of the three levels of government—federal, provincial and municipal—the municipal government is far more open than the other two levels. If the member wishes to address some problems, he can take a look at Queen's Park and cut out some of the red tape here. That would be much more effective.

Mr. Breagh: I must say I am somewhat surprised and a little taken aback by the rather classic positions put by the parties. I had hoped we would have a discussion of the bill in principle, which is theoretically what we do on second reading, but we have not had that. I had hoped we would send the bill to committee, provide the public with notice, receive deputations from the Association of Municipalities of Ontario and individual municipalities, work out definitions and regulations, do a clause-by-clause analysis and address some of the problems. Apparently, that is not going to happen.

I had hoped that in this process today we would have learned some lessons. My friends from the 14th century over there to the right maintain the position that the public does not have a right to know what is going on in its municipalities. They maintain the position that while people in urban areas have legal rights to attend council meetings

because the council gives it to them, in rural areas people should not have these rights.

What a ludicrous notion that they would extend that double standard into this century. It is absolutely nonsensical to say that because a council must tell us what it is going to do, this is some attack by the Red Menace. From the people who brought us bureaucracy in Ontario, we continue to get lectures about bureaucracy. No party in the western world knows more about establishing red tape, bureaucracy and stupidity in government than the Tories in Ontario. They continue to lecture the rest of the world about their own sins. I would have thought they might have learned a lesson.

I want to address my friends across the aisle, because I thought there would be fertile ground there; it is a group in the Legislature that might have learned some lessons about improper behaviour this summer. I would have thought there would have been no questions from the Liberal side about improper behaviour after the summer we have had. I would have thought the classic Liberal position put by the member for Brampton, that one cannot define "improper behaviour" and that a Liberal does not know what is proper and what is improper, would have been resolved by the deliberations around here through the course of the summer. Apparently, it has not been.

Furthermore, I had thought that this week of all weeks, they as a government would have learned that it is a smart idea to announce their intentions around such things as the retirement package for the retired Clerk, that they would have learned the lesson that if they had notified somebody about what they intended to do in that matter and had allowed the members of the assembly to discuss that matter before they made the decision and that if they had done it in public, they might not be boiling in oil this morning.

I would have thought the Liberals, of all the 125 people here, would have said: "Boy, we learned some lessons over the course of the summer. We learned some lessons about proper behaviour, about proper notice and about striking deals in secret. We will not be vulnerable to this kind of attack any more." I would have thought they would have learned that governments, big, small, municipal, provincial and federal, finally should learn that the public has a right to know what they are doing.

Never mind the stupid arguments about whether it will cost \$88,000 to notify the public. The notification provision is that the clerk of the council post a public notice; it costs a thumbtack

and a piece of paper. If it wants to spend \$88,000, it can; and if it wants to spend \$2 million, it can. They have demonstrated that. However, the publication provision is that the public has a right to inspect the records. It does not call for what my friends to the right did for years. Every time they wanted to bless themselves, they announced a \$4-million public relations program to ensure that everybody saw it. That is not the requirement.

The requirement is simply that the right is there for the public to see what is being done. They have an obligation to give some notice of that. They do not have to put it in the newspaper, put it on radio or television or hire an advertising firm; that is not the requirement. Tell what is being done. Write it down on a piece of paper and stick it up in a town hall. That is the requirement. That is not a major expense.

Sadly, what I had hoped for appears unlikely to happen. The public across Ontario in big cities and small towns will not have the right to know what its councils are doing. It is not going to be a major problem every day, but it is going to continue to be a problem. By turning their backs on this kind of legislation, they invite litigation to continue. Lawyers will get richer and richer. More citizens and citizens' groups will sue their councils for the decisions they made in private, for withholding information from them.

11:00

That is what this group over here from the 14th century wants. They seem quite content with that, even though they got into hot water with it from time to time; and the new group over there has learned nothing from this summer. They have learned nothing from the beginning of this fall. They have not learned yet that in this day and age, no government at any level can cut deals in secret. It will not get away from it; that will not happen any more. This is not of that age at all and they cannot hide behind silly arguments about bureaucracy and costs for advertising.

The public knows better than that. It knows what it wants is not an ad campaign. It wants the right to see these documents and it will get that right one way or the other. They are forcing people to go to court and I am warning them, they will go to courts and it will cost a good deal more than \$88,000.

The agony and the irritants that will exist between the councils and the citizens' groups will get more and more serious, because the problems the councils are facing are more and more serious. They have to do with major problems such as dump sites, hospital waste and

things of that nature and the public is not going to let them ride any more.

This morning, they may deny the public the legal right to know what its council is doing, to find out what the documents say and on what basis a council made a decision. They will not be able to take away people's legal right to go to court and tie up those decisions. I say this morning, that is precisely what people are going to do. If they choose not to give people that right in law, people will go to the courts and tie up those decisions anyway, and it will not be cheap.

HUMAN TISSUE GIFT AMENDMENT ACT

Mr. Poirier moved second reading of Bill 91, An Act to amend the Human Tissue Gift Act.

The Acting Speaker (Mr. Morin): The honourable member has up to 20 minutes for his presentation, and he may reserve any portion of it for the windup.

Mr. Poirier: In the past 20 years, major medical advances have occurred in the field of organ transplantation. With the use of advanced surgical techniques and immunosuppressive drugs, it has become possible to transplant all major organs, excluding the brain.

Current success rates for cornea transplants, kidney transplants and liver and heart transplants average approximately 90 per cent, 80 per cent and 70 per cent respectively. These successes have brought new hope to thousands of people. In Ontario alone, 229 transplants were performed in 1985.

However, medical advances have outpaced the supply of organs and the lists of patients waiting for transplants are growing. In Ontario, there are currently an estimated 320 persons waiting for kidney transplants, 100 waiting for cornea transplants, 10 waiting for hearts and lungs and nine waiting for liver transplants.

The waiting period varies with organ size and blood-type requirements, of course. The average wait for a kidney transplant in Ontario is one and a half to two years. For some persons, time runs out before a suitable organ is donated. An estimated 50 to 60 per cent of people waiting for organs die before a suitable organ becomes available. A recent tragic example is 17-month-old Melissa Mendoza, who died on October 6 while waiting in vain for a liver transplant.

In desperation, some parents and medical staff have launched public appeals through the media in search of suitable donors. For some individuals, such as Gabriel Bruce, the appeals are successful, while for others, such as Melissa, they are not.

The willingness of people to donate organs in the event of death has been identified in numerous opinion polls across Canada and in the United States. In 1984, a poll conducted for the Ontario Task Force on Kidney Donations found that 88 per cent of the respondents would donate the kidneys of a deceased relative, while 63 per cent would donate their own. A recent Gallup poll in the US found that 70 per cent of the respondents were very likely to donate the organs of their next of kin.

One means of encouraging donations is the organ donor card attached to the Ontario driver's licence. However, a recent survey in the province found that only 28 per cent of those who had heard of the donor card had signed it, despite the fact that many more indicated a willingness to become potential donors.

It has also been found that licence declaration is rarely a factor in donations, as emergency personnel are preoccupied with duties other than looking for a donor card. Drivers' licences and the attached donor cards are also generally in the possession of persons other than a hospital patient's nurse and doctor.

Finally, persons without a driver's licence have no opportunity to sign the attached donor card or to indicate their wishes. This is particularly significant for children whose post-mortem organs are in great demand.

Studies in the United States and Canada have found that a major obstacle to procuring organs is the difficulty encountered by medical personnel to identify potential donors and to discuss organ donation with the affected family. The difficulty of broaching the subject is a major contributing factor. Increased attention has been given to encouraging hospital personnel to approach families of potential donors and to establish in-hospital organ donation support systems. However, the stress and pressure placed on the next of kin to make a prompt decision on behalf of another person in a time of intense grief is significant.

In 1985, the donation process subcommittee of the Ontario Ministry of Health's Task Force on Kidney Donations proposed that a system be developed to record an individual's intention to donate organs at the time of death. It stated that this could be accomplished by forming a central registry. The aforementioned Task Force on Kidney Donations recommended that research be conducted into the best means of recording post-mortem donations and wishes of individuals, including the establishment of a central registry.

The Human Tissue Gift Amendment Act provides for the establishment of such a registry with the Ministry of Health in which confidential records of consent and objections to voluntary post-mortem organ donations of a person insured under the Health Insurance Act are maintained. In addition, the act provides that where an objection to a donation has been recorded, this wish is paramount over the opinions of the next of kin.

It is apparent that the public of Ontario supports the concept of a central registry. A survey conducted in 1984 for the Ontario Task Force on Kidney Donations found that both donors and nondonors felt strongly that a central donor identification system should be in place. Approximately 68 per cent supported the establishment of a registry where those who have signed a donor card would be listed.

There are many advantages to a central registry. A central registry would provide medical personnel with full knowledge of an individual's wishes. This supports hospital policies of routine requests by identifying potential donors before they are in a critical state or are deceased. A central recorded consent or objection would facilitate the physician's task of approaching next of kin by being able to inform them of the patient's wishes. If next of kin are approached regarding possible donations, the stress of this immediate decision would be reduced by previous indications of the patient's wishes regarding organ donation.

In the absence of a central registry, it is unlikely that appropriate information would be available to assist the next of kin in making the decision. If the next of kin could not be reached in time, a record of consent would provide legal authority for organ donation. A central registry would provide a more co-ordinated and systematic approach to increasing organ donations than relying on ad hoc media publicity for specific individuals. A central registry would uniformly present persons with the options of organ donation and would encourage individuals to resolve the issue for themselves and their children.

I would like to talk about a specific example in Texas. The Living Bank is a nonprofit organization in Houston, Texas, which operates a national registry and referral service. The purpose of the registry is to help those persons who, upon death, wish to donate organs for transplantation, therapy, medical research or anatomical study. The primary objective of the organization, which was founded in 1968, is to educate the

general public to donate organs. Registration forms and donor cards are sent out to interested persons. When returned, the information is placed in a central registry of potential donors for instant retrieval of data when needed.

At present, the Living Bank has more than 180,000 people registered and is growing by approximately 3,200 people per month. In 1985, the Living Bank handled approximately 400 calls that resulted in actual donations of one or more organs.

11:10

The cost of haemodialysis for kidney failure is \$40,000 per patient per year in Ontario in 1984 dollars. In 1984, the Ministry of Health spent \$61 million treating kidney failure patients. If the number of kidney donors doubled, it has been estimated that a cost saving of \$800 million could be achieved over a 20-year period. If the number of donors tripled, which it is estimated will be required to meet the ever-increasing need, the cost saving over the same 20-year period has been estimated at \$1.7 billion.

The quality of life is immeasurable. The lives of persons on dialysis are permanently disrupted by the requirements for frequent treatments on a dialysis machine. With the transplant, a return to normal life is made possible. I strongly believe the establishment of a central registry could help facilitate that. If you and I had a person dear to us who was requiring an organ transplant, Mr. Speaker, we would not look as closely at the cost as at the benefits to that person. With the quality-of-life issue in Ontario, we would support very strongly such a creation.

Évidemment, la création d'un registre central pourrait grandement aider à améliorer la condition de la vie en Ontario. Comme je le mentionnais tantôt en anglais, dans mon texte, le nombre de personnes qui attendent, justement pour avoir le droit de continuer à vivre, est très grand. On estime, à l'échelle du Canada, qu'il y a plus de 4,000 personnes qui sont en attente, au moment où je vous parle.

Donc, j'espère que les gens vont bien appuyer le projet de loi 91 parce que c'est très important pour tous les Canadiens, surtout pour les Ontariens, d'avoir en place un registre central pour faciliter et trouver les gens qui sont prêts à donner et les gens qui sont prêts à recevoir.

There may some objections to the registry. Some people in the medical profession suggest it is not necessary to register persons. They say it forces physicians to go through another step rather than dealing directly with the family of the deceased. What is one more step to save a life?

Very little, I think. The ability to keep a central registry up to date concerning the scope of potential donations, changes in decisions and family status, and to keep it operational 24 hours a day has been questioned. Of course it is a complex system. With close to 10 million Ontarians, it is quite a task to keep it up to date. However, if it is going to save one life in Ontario, it will be well worth it.

Doubt has been expressed that a central registry would increase supply. It has been suggested that most people do not want to have to make this decision. Failure to record consent may influence next of kin against donating a deceased relative's organs. The surveys we have talked about and the polls we have seen show the opposite. People are willing to make that decision and are willing to have a system where it will be easy and accessible and known.

Another point brought up was the cost of maintaining a central registry and it has been raised as an inhibiting factor. I do not think this argument is very valid today. If we are going to save peoples' lives, if we are going to permit them to live ordinary and normal lives, then in the long term we would save money. Even if we did not, even if it cost the same, a human life is a human life and there is no cost to that.

The Deputy Speaker: Does the member wish to save the remainder of his time—eight minutes, 40 seconds?

Mr. Poirier: Thank you.

Mrs. Marland: In rising to speak this morning on Bill 91, may I say at the outset that I am aware the member for Prescott-Russell (Mr. Poirier) has nothing but the most sincere intent in bringing this bill to the Legislature. However, the wording of the bill as presented will not at this time be able to accomplish the intent he would wish.

If I am correct in presuming that the member has brought this subject to the Legislature because he personally supports the concept of the donation of human tissue when possible, which is obvious from his comments a few moments ago, then may I say I wholly support the donation concept. There is no question of the need for this program. There is no question of the need for the donation of tissues and organs, but I feel the bill at the moment will not improve the current situation.

I do not want to be too negative. Bill 91 is important, not because it is the right solution but because it brings into focus a very important issue. The general public is not even aware of the endorsement on the driver's licence. That pro-

gram of the endorsement on our driver's licences in Ontario was introduced by the Progressive Conservative government and was a far-reaching plan to resolve the problems this bill is trying to address.

When one looks at the three boxes that are available on the driver's licence, those of us who have signed that portion of our licence recognize that we can choose to have all or any tissues or organs donated in the event of our death. We can also specify organs and list them and we can also donate our entire bodies for medical education and research at a school of anatomy, but as we know from reports, very few people take part in that program.

The press coverage for those people awaiting transplants and in search of compatible organs has heightened the general public's awareness for the need of organ donation and, as a member from the city of Mississauga, we have evidence of both a successful story in the case of Lindsay Eberhardt and the example of the tragic loss of Melissa Mendoza who was not able to be given the transplant procedure.

The unnecessary loss of life could be avoided if we all understood the issue better and if we, collectively, could overcome the barriers that keep us from consenting to save a life if we could and if we are ever in the position to make a decision for a member of our family.

At this point, I would like to tell members that when our own daughter died from a disease that would have left most of her organs in a condition where transplant would have been a very viable program, at that time, which is 26 years ago, we had some of these programs but, obviously, we did not have medical science to the degree that transplant surgery is at today.

Having gone through the emotion of the death of a child—and the emotional aspects are referred to in the report of the Task Force on Kidney Donation which was presented in December 1985—that emotional aspect is one which can be helped by a bereaved family. I am speaking as a bereaved parent but I am sure as a bereaved member of any relationship within a family, if it was possible to do something at the end of that life that could help someone else, that gesture is one most of us would want to make.

There are other issues that come into focus at that time. A lot of people do not even know if it is right, even for religious reasons, to make a donation of an organ or a body tissue. Those questions could be answered through an elevated public awareness program so that people will not have to stop in that stress period to try to decide

whether it would be a right thing. They would know it was a right thing and would be happy in making that decision.

11:20

The statistics on the number of patients waiting for organ transplants are staggering, as has been noted. There are several organizations that deal with the subject. We have one here in Ontario that has been in existence for 10 years. It is known as MORE, the Metro organ retrieval and exchange program. We also have Transplant International, which produces a newsletter that it sends to doctors, the media, schools, boards of education, community groups and health care professionals. It works at raising the consciousness of the public to make it an acceptable idea and to promote understanding of the need.

This is the avenue I feel we need to proceed along. Newsletters containing articles with family stories, medical stories, comments from transplant retrieval teams and letters from the members of the public are all avenues that could be pursued very successfully.

Unfortunately, I do not see Bill 91 as making any of those ideas a reality. I recognize that Bill 91 is not saying it is compulsory to make the donation commitment, but it is compulsory to make the decision—you are going to make the decision whether you will donate or whether you reject the donation. There are only two instances when an organ may be donated in any case: after all life has ceased, with the consent of the family or of the people responsible for that deceased person; or after the donor is declared brain dead, again with the consent of the family or of the people responsible. Unfortunately, most accident victims are not donor candidates, as the donor must arrive at the hospital alive.

That brings me to the other problem that Bill 91 does not address at the moment. It does not address the fact that many of our hospitals are just not geared to this program, particularly small hospitals in outlying areas of the province. Transplant International says it has found through its polling, which has been very extensive—and it is referred to in the report of the Task Force on Kidney Donations—that as soon as you make it compulsory for people to make a decision, they will make a negative decision against donation, and they make it at this point out of fear, out of ignorance, and are very apprehensive about the implications of making that decision ahead of time.

Dealing simply with kidney donations, the task force report says that 88 per cent of respondents will donate the organ of a loved one

and 65 per cent will agree to donate their own organ, but only 23 per cent will sign their driver's licence, and that gets back to the advance commitment. By signing our driver's licence—and I hope every member of this Legislature has become actively involved in the program—we are making the commitment ahead of time.

I wholly support the concept of organ and tissue donations, but before we legislate to make it a compulsory decision ahead of time, either in the affirmative or in the negative, we have to grant the public a more major education program and involve the hospitals with the equipment to service and implement such a program.

Mr. Warner: Mr. Speaker, you have better eyesight than the previous Speaker who was occupying the chair.

I appreciate the opportunity to participate in this debate. The member is to be congratulated for bringing in a very important piece of legislation, one that I will support.

I must tell members, however, that I am a little bit disappointed in the approach taken, because it is a rather timid step. Since the member obviously has an interest in pursuing this issue, he is probably aware of the organ donor program that operates in many of the western European countries. He will know it is very successful because they use a process that is the reverse of what we have. The organ donation is automatic unless one has signed an objection form. It seems to me that is the only sensible way to proceed.

We all recognize the importance of organ donation and organ transplant. We know it saves lives and we know it helps in a lot of very difficult and trying situations. I do not think anyone questions the value of the program. The question is how we make the program successful, how we make it work.

I suggest, based on the experience in many of the western European countries, the way to make it work is to make sure that the donation happens automatically, unless the individual has signed a card saying he objects to the program. I cannot recall the figures, but it seems to me they are in the neighbourhood of 85 per cent successful there, while we are in the neighbourhood of 15 per cent or 20 per cent successful. They have a much higher success rate in obtaining the organs that are required.

I have some concerns with respect to the bill itself. Obviously, in this era of modern technology and computers, it is advisable to have a central registry, but that registry will be brought into a system that is not yet ready to handle organ transplants on a universal basis. In other words,

there are hospitals that lack the computer equipment at this stage to hook into a central registry. They are unable to share the information, especially in smaller communities. We are dealing with a system that has not developed to that stage.

I am not sure where the government intends to locate the central registry, but as a side note, not every good piece of equipment needs to be located in Metropolitan Toronto. There are many other centres around the province where the registry could be located. It might be very helpful to have it located in one of the northern communities, such as Sault Ste. Marie, Sudbury, Thunder Bay or others. Wherever the central registry is located, there are many smaller communities that will be unable to hook into it. That is a project that needs to be looked at.

I am a little disturbed to see the three aspects—therapeutic purpose, medical education and scientific research—put together. I would like to see them separated. There may be many individuals in Ontario who are quite pleased to participate in the therapeutic purpose but who may not be as inclined to be receptive to a request for scientific research. In order to cover those individual concerns, perhaps it makes sense to separate each of those three distinct purposes and deal with them individually.

The other major flaw I see is that even when we pass this bill, we will still be relying on the present system for donors. I understand the major number of donors come via the driver's licence. Because that is so, we automatically exclude people who are not drivers, particularly those under the age of 16 and those who are adults and who are nondrivers.

11:30

We do not have a good enough system for securing donors and we are going to continue that system. Unfortunately, the bill does not address how one improves the system. With respect, I suggest that in the long run the only way we are going to improve the system is by reversing the process. That is something with which the member has not come to grips. If he is prepared to look at that, then it is going to require major revisions to the bill.

As I stated with the previous bill that was before the House this morning, I am urging members to pass this bill and get it off to committee where we can take a look at not only the concerns I have raised but also some of the others.

First and foremost, the principal issue to address is whether we can get past the timidity

that some members have and deal with the issue of reversing the onus so that the donation will be automatic unless an individual registers an objection.

If we are prepared as members to deal with that question, then we will make a giant step forward in promoting what I am sure all of us—at least in this chamber—recognize as being an extremely important program and one which does genuinely save lives. It is an advance for us as a society.

In closing, I wish to commend the member on his efforts, because he has brought a very important issue to the attention of the House. If members are inclined to support this bill then perhaps when it gets off to committee, we can make it an even stronger and better bill than it is now.

Mr. Offer: I am pleased to rise in support of this amendment and to commend the member for Prescott-Russell on bringing this matter to this House.

The amendment being proposed provides a register containing the names and health insurance numbers of all insured persons as defined in the Health Insurance Act. In addition, this register shall record the consent or objection of persons to the use after death of their body or of a part or parts of their body for therapeutic purposes, medical education or scientific research.

This amendment before us indicates that these consents or objections shall be stored electronically or on a magnetic medium so as to be capable of expeditious retrieval by name or health insurance number.

Finally, the amendment indicates that the register shall be confidential to all but the person giving consent or objection, or a physician who bona fide requires this information for transplant purposes, or an employee of the Minister of Health whose duties require access to the record.

The passage of this amendment shall promote access to potential donors in a quick, efficient and effective manner. We know how important that information is. To explain properly how important it is, I think it necessary to devote a few moments to the history and evolution of transplantation.

Over 36 years ago, doctors achieved a drug therapy breakthrough that gave kidney transplant recipients a 50-50 chance of survival for at least one year. Among many doctors, hopes ran high that the body's natural tendency to reject foreign tissue would soon be brought under control, but what worked for kidney transplant patients never worked well for those receiving other organs.

Indeed, the problem of tissue rejection presented a barrier to the physician's dream of routine organ transplants.

However, with the dedication and commitment of many people to untold days, hours and years of work, the problem of tissue rejection has diminished. The advent of new drugs, new surgical procedures and better and more precise technology enables greater success for a greater number of people requiring transplants.

However, as transplants of kidneys progressed to heart, pancreas, corneas and lungs and as the success of each transplant increased, so there grew an ever-increasing shortage of organs for transplant purposes. The grim reality of this shortage is that people of all ages die each year awaiting life-giving organs.

When discussing or debating the matter at hand, I believe it is impossible to divorce oneself from that which we see on television, read in the newspaper or hear on the radio. Who among us has never heard the grief-stricken pleas of a father and mother publicly asking for a liver or kidney for their infant child? Who can say he has not been moved? Who of us with children of whatever age have not silently thought of what he would do, how he would cope to give his child a chance at life?

It is incumbent upon all of us to realize that it is not only children who require transplants. By and large, we never hear of the plight of those of middle or senior years. In this age category, they are never given the chance that transplantation holds and their circumstances go largely publicly unnoticed.

Deaths of this nature are more than tragic, because we have the technological wherewithal, the medical expertise and scientific knowledge to prevent them by transplantation, but we do not have the donors of the life-giving organs. As I have previously mentioned, this amendment will go far in meeting that shortage.

I imagine the question is how. How will a register for transplant donors help alleviate the problem of shortage? I suggest it will in two ways.

First, it will provide a central repository for information about potential donors. Quickly and sensitively, one will be able to determine whether a potential donor has given his or her consent. Once known, this information will permit immediate categorization as to whether this is a donor and, if so, what organs are available and, last but certainly not least, who the recipient may be. Statistical evidence shows there is potential for significantly increasing the

supply of donors with the implementation of a central registry system. The passage of this amendment will initiate a new effort to improve organ availability.

Second, it will command the attention of the people of Ontario to re-evaluate the whole question of transplantation. It will ask our citizens to consider the question of whether one should or should not be a donor. It will bring to the fore the fact that transplantation has advanced from an endeavour that was largely experimental and in which the number of donor organs frequently exceeded the number of recipients on a waiting list, to one in which major clinical departments and hospital endeavours are dependent upon transplantation as a pivotal program.

I understand and accept that ethical, moral or religious reasons exist for not permitting oneself to be a donor. These reasons must be understood, accepted and respected. They are not to be taken as anything more or less than an individual's deepest and sincerest thoughts. Having said that, I believe this amendment to the Human Tissue Gift Act will make the best possible use of the donor gift, that the most appropriate recipient will receive the donated organ and that, last but certainly not least, usable organs will never be wasted.

11:40

In closing, I have an article, but unfortunately, I do not have the name of its author. I would like to read from it.

"It is a miracle of our time that the sudden, sad death of a 12-year-old girl in a small northern Ontario community could give new life to four strangers hundreds of miles away, waiting anxiously for a desperately needed organ transplant.

"The recent transplants of the heart, kidneys and liver of an accident victim raise anew the issue of the shortage of organ donors for all patients in need. For a bereaved family, it is a difficult question. Facing the death of a loved one, few families want to get into the additional trauma of deciding whether to authorize doctors to remove organs. A central registry would allow a doctor to see if the patient had authorized use of his or her organs. The relatives would be consulted and advised of the person's wishes. If the family objected, the organs would not be removed. This plan of a central registry system is both humane and workable."

I speak in favour of this amendment and once more commend the member for Prescott-Russell for bringing this matter to the Legislature. We are not talking about just this amendment; we are

talking about saving lives, and this amendment will do that.

Mr. Bernier: I rise in support of this bill. I want to compliment the member for Prescott-Russell for bringing it forward. It is truly a very human issue. There is no question about it. I rise in support of the principle of the bill. I do not want to get into details. Other members have talked about going to committee and making changes. The principle of the bill is correct.

I want to put on record a personal family experience in connection with a transplant and the difficulties associated with this problem in life. About a year ago, a nephew of mine in his early 40s, affectionately known as Rick Hunt of Kenora working for Alcan in Montreal, was asked to take a regular company medical checkup. This medical checkup revealed he had a spot on his lung. Immediately he was encouraged to take further examinations, which necessitated his being admitted to the Royal Victoria Hospital in Montreal. Last November, he was treated with a number of antibiotics to correct the situation in his lung—six different types of antibiotics in total. By December 1985, it was evident these antibiotics had not helped the situation at all and his situation had been diagnosed as fibrosis.

The condition of my nephew prior to admittance to the Royal Victoria Hospital was one of perfect health. He did not smoke. He was a health addict. He jogged five miles a day or rode his bicycle at least 10 miles. He was what we would call in perfect health. But in that short, two-month period he was stricken with a disease that was spreading rapidly and could not be stopped.

In January 1986, it was decided that because of his deteriorating condition his heart and lung had to be transplanted. It was at this time that a call went out from the Royal Victoria Hospital in Montreal in search of these two specific organs.

I am told that in a heart and lung transplant, these two organs must be taken from one body and transplanted into another. In other words, the organs cannot be removed and moved separately to where the operation would take place; that is another serious difficulty. On five separate occasions, donors were located in the general area of Montreal. Three to five hours of preparation were required to put my nephew in the proper condition for the major operation that was to follow. In every case but one, the organs were incompatible, the size was incorrect, the match was not suitable or the donor's organs were not totally healthy.

January went by; the call was still out there for a heart and lung. February went by; the call was

still out there. March went by; the call was still out there. Finally, in early April a donor was located, a victim of a motor accident just outside Montreal. Again, there was a four-hour preparation. In fact, in each one of these preparations they went so far as to give the donor the last rites of the church.

The operation began with some very excellent medical professionals from the Montreal area. The operation lasted about eight hours, and I regret to say my nephew passed away 24 hours later.

My point is to alert the members of the Legislature and put on record that we in our family are convinced that had a transplant or organs been found in early January, my nephew would be alive today.

For this reason, which may be a selfish one on my part, I think the passing of this bill will certainly speed up the location of donors, improving this entire process and of course maintaining the life which we dearly love. I think it is fair to say that the public is slowly coming around to recognizing the urgency of this call.

We are seeing on a regular basis comments in the media. In October 1986, the *Globe and Mail* had a story with the headline, "Children Dying for Lack of Organs." Another article in October was headed, "Organs Are Needed." Another article in the *Globe and Mail* was headed, "Shortage of Organs for Transplants to Continue Until Attitudes Change." In the *London Free Press*, a story headlined "Listing of Potential Donors' Organs is Urged" appeared in support of this bill. "Organ Gifts Prized by 13 Per Cent Across Canada" was a headline in a January edition of the *Globe and Mail*. "Transplant Recipients Hail a New Program" appeared in the *Toronto Star*. From northern Ontario, "More Human Organs Donated at McKellar Hospital" appeared in the *Thunder Bay press*.

I think it is fair to say that with the success they are having in transplants today—and we know children's liver transplants are successful in 80 per cent of the cases—there is a changing attitude out there in the public. We are in a new era. We are past the experimental area. It is definitely a breakthrough in medical research, and it is accepted in society today.

It is incumbent upon all of us as we compliment the medical profession for what it has done in the advancement and research of transplants during the past several years, if we truly believe in that complimentary attitude to the medical profession, then it is important that we support it. I think it is more important that we

encourage the profession to move forward in research, and of course supporting this bill is an indication of our support to the medical profession and the urgency of this issue.

Mr. Charlton: I too rise in support of Bill 91 and congratulate the member for bringing the bill forward. Like my colleague from Scarborough-Ellesmere (Mr. Warner), I think the bill is a first step in the right direction, although I think the problem is much bigger than the bill will address.

The kinds of situations that the member for Kenora (Mr. Bernier) mentioned in his comments, when he was referring to his nephew and to the newspaper stories, are perfect examples of why, as has been suggested, the onus ultimately has to be moved back down to individuals.

A registry will certainly help to improve some of the problems we have at present, but eventually we have to get to a stage where individuals, on the basis of their own consciences and their own beliefs, are prepared to take the responsibility of making the decision and making the decision known. What we are going to have here is a registry where those who do take that opportunity either to consent or to object will probably provide better access to organs for transplant purposes than we have had in the past, but it does not address the question of those individuals who will not take the responsibility to make that decision and to make the decision known. Ultimately, we have to discuss some way of accomplishing that part of the problem.

11:50

As the previous member suggested, it is clear that organ transplants in medicine can provide a fairly high rate of success and life for people who are healthy, other than for the affected organ, and who are able, with a transplant, to live a long and fruitful life. We have to pursue that in a global social sense. This is a start. I will support the bill, but we have to be prepared to talk in much broader terms about the problem and how we get at the solutions.

Mr. Speaker: The member for Prescott-Russell has approximately nine minutes.

Mr. Poirier: I appreciate the comments honourable members have made pertaining to the second reading of Bill 91. I have listened very carefully and I have taken notes on some of the recommendations, their fears and how they feel towards Bill 91.

If I may start with the comments of the member for Mississauga South (Mrs. Marland), she said, "This bill as written would not improve the current situation." One must remember that

what is brought forward by Bill 91 is but a tool to help relieve the current situation, which is in a state of chaos right now even though we do have a group called the Metro Organ Retrieval Exchange working in Ontario to make sure the organ donor and recipient match is as good as possible. There is quite a bit of education to be done with the general public, with the medical forces, with politicians and with the government in general.

The current system, the drivers' licences, is shown not to work, with only 28 per cent of the people filling them out. Even if one does fill it out, when you get to the hospital, usually you are not in possession of your driver's licence. Having worked as a tow-truck operator and seeing the ambulances take the people to hospital, I can say that they do not look for the driver's licence; personal effects, maybe medication, even contact lenses come before the driver's licence.

The current situation needs a lot of improvement. What Bill 91 offers is but one tool to do it in conjunction with many other steps to be taken by government. As for the current media appeals, which are getting to be more frequent, yes, they are making people more aware of the need for organ donations right now, but I am afraid that if we continue to do this on a frequent, regular basis, it will lose its effect to sensitize the people of Canada and Ontario to the need for organs. I am very afraid of that.

I have read over the act and I have read Bill 91, and nowhere is it mentioned that this is compulsory. It is offered to people who want to consent or who want to object so that they should have a mechanism to say so. In no circumstances has it been mentioned in the current act or in the proposed Bill 91 to force people to decide or choose.

It was also mentioned that the hospitals will not be geared and ready for Bill 91. Of course, if we are going to put a tool in place to do something, we will have to do some work around this tool to make sure it is accepted, with all due education to be done in the local hospitals in the small communities. One is quite correct in saying that some hospital teams in the small communities are not used to organ transplants and organ transfers and even donations. As for the methodology and the ethics of it all, some people are still disturbed by that.

The member for Scarborough-Ellesmere said it was a very timid step. His idea was to make donations automatic unless a person specifically objects to it. Respectfully, I say the people of

Ontario are far from that stage right now. It would be nice to see polls showing that Ontarians were willing to do that, ready to save the life of a fellow Ontarian, just like that, automatically. I wish it were true, but the polls indicate otherwise. If it comes to a point where Ontarians are ready for that, I will be very glad to have a second look at it.

The member for Scarborough-Ellesmere is correct in saying that the system is not ready to handle transplants on the scale of Ontario; hence, the need for a tool as proposed in Bill 91 with the central registry. It is but a step. In itself it would not resolve the entire problem. If one put a tool in place and if people were not sensitized—whether potential donors, recipients, medical staff, governments or politicians—quite correct: it would fail. There is an immense campaign to be done on this.

The member is also afraid that people might not have a choice to specify whether they wanted to donate organs for therapeutic purposes, medical education or scientific research. If one looks carefully at Bill 91, it uses the word “or”: “therapeutic purposes, medical education or scientific research.” People must be able to choose one or all of the above according to their own wishes, and this has to be respected.

As the member for Hamilton Mountain (Mr. Charlton) mentioned, the problem is bigger than what the bill addresses. The bill proposes a tool to help resolve a very large problem. Regarding the creation of a central registry in conjunction with campaigns to educate the people—potential donors across all Ontario and Canada and around the world—we should not look twice at where and from whom come a heart and lungs to help save the life, for example, of the nephew of the member for Kenora (Mr. Bernier). I am sure his nephew would have been very glad to receive immediately the lungs and a heart from whoever had been willing to donate them to save his life.

We have to integrate that into a worldwide system to make sure Ontario, with its 10 million people, has at least a tool to start to address that system. I sincerely hope that all members, no matter what they personally may find in this bill, will support the passage of this bill and help this government to make sure, together, that all Ontarians are educated about why organ donation is such an important part of one's life and one's afterlife, to help our fellow people continue to have a productive life in Ontario.

J'apprécieraient que tous les honorables députés viennent m'aider en accordant leur appui au projet de loi 91, afin que la qualité de vie en

Ontario puisse continuer bien au-delà de la vie actuelle des Ontariens et des Ontariennes, en aidant à créer un mécanisme pour que ceux et celles qui désirent aider leurs collègues à l'échelle de l'Ontario, du Canada et même à l'échelle internationale, puissent donner accès à une partie de leur corps, une fois qu'ils auront quitté ce monde, pour aider à continuer cette qualité de vie en Ontario.

I thank all the honourable members for their constructive comments. I look forward to the support of all of them in making Bill 91 a reality.

MUNICIPAL AMENDMENT ACT

Mr. Speaker: I know the standing order says the vote must be taken at noon. I think we are close enough.

Mr. Breaugh has moved second reading of Bill 16. Is it the pleasure of the House that Mr. Breaugh's motion carry?

All those in favour will say “aye.”

All those opposed will say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Interjection.

Mr. Speaker: With respect, I stated what I heard. I actually waited a moment to give any members the opportunity to rise. Therefore, I announced that the vote had carried.

Mr. Cousens: Mr. Speaker, is there any chance of a rerun on that one?

Mr. Speaker: I appreciate the member's suggestion. However, I feel I gave ample time for members to rise. I did not see any members rise until after I had announced the vote. Therefore, I declared the motion carried.

Mr. Cousens: Mr. Speaker, I would like to challenge your ruling.

Mr. Speaker: I called the vote. I do not know of any precedent when there has been a challenge simply to not seeing anybody stand when they had ample opportunity to do so.

Mr. Cousens: I have challenged your ruling. I believe the vote was in the negative. The nays carried it. It was moving along so quickly I did not feel you would go that far; so I challenge your ruling.

Mr. McClellan: The member had his chance and he blew it.

Mr. Speaker: Order. I still stand by my original decision. I called it as I saw it. Therefore, I did not make a ruling; I just called it as I saw it.

Mr. Gregory: On a point of privilege, Mr. Speaker: I think my privileges have been abused. I find it rather strange that this is a New Democratic Party calling for open council meetings and yet that party's members are terribly afraid of an open, public vote. I regret that.

Mr. Speaker: That is not a point of privilege; it is a point of view.

I will call the next item.

Mr. Cousens: Mr. Speaker, if five members stand, would your ruling be challenged?

Mr. Speaker: No. The standing order is very clear what the procedure is. I carried out the standing orders. I will now place the second item that is before the House.

HUMAN TISSUE GIFT AMENDMENT ACT

Mr. Speaker: Mr. Poirier has moved second reading of Bill 91, An Act to amend the Human Tissue Gift Act.

Motion agreed to.

The House recessed at 12:04 p.m.

AFTERNOON SITTING

The House resumed at 2 p.m.

VISITORS

Mr. Speaker: I would like to draw to the attention of the members and ask them to join with me in recognizing the guests in the Speaker's gallery: the Minister of Municipal Affairs of Newfoundland, the Honourable Norman Doyle, and the Deputy Minister of Municipal Affairs, Clarence Randell. Please join me in welcoming them.

MEMBERS' STATEMENTS

AFFORDABLE HOUSING

Mr. Jackson: The mayors of Halton's four municipalities have identified the need for local affordable housing as having reached a crisis. They remember stories of a family living in a gas station and of another family living in a car this past winter. In Burlington, we do not want to see those stories repeated and we do not want to risk the tragedies that have occurred elsewhere.

We have tried. In fact, 16 groups have applied to the province for assistance in providing nonprofit housing over the past year and a half, and 16 groups have been rejected. Halton Adolescent Support Services wanted to provide housing for homeless young people but was rejected. St. Luke's Anglican Church wanted to provide housing for seniors. They received 250 applications for a 37-unit proposal and were rejected. A week ago the Minister of Housing (Mr. Curling) made another announcement, this time for the funding of 3,000 additional units.

We are optimistic in Halton; we believe we will get our share of those units. We are also realists in Halton. It is now mid-October and there are still weeks of discussions with the mayors left. There are proposals to review, plans to approve and construction to begin. These units will not be ready soon. The minister has had more than a year and a half to prepare for this winter and he has not done it. All we get from him are statements on paper. We are tired of his paper houses and we have had enough of his paper promises. We need affordable housing, not paper housing, and we need it now.

HUMANE SOCIETIES LEGISLATION

Mr. Foulds: A David-and-Goliath battle has been going on for the past eight months between

the Thunder Bay branch of the Ontario Humane Society and the central executive of the Ontario Humane Society, led by its president, T. I. Hughes.

The Ontario government should amend the act governing the humane society so that not only the affiliates but also the branches, such as Thunder Bay, have more authority over their own affairs. The government must take legislative steps so that more branches can become affiliates, as recommended by the Price Waterhouse study, without giving up all their assets, accounts, legacies, etc.

Mr. Hughes has threatened to withdraw the warrants under which the Thunder Bay branch operates. People in Thunder Bay believe Mr. Hughes has badgered and bullied the Thunder Bay branch executive ever since it received a legacy of \$100,000 expressly donated to the Thunder Bay branch. Mr. Hughes has been trying to get that money under the control of the central executive and remove decision-making from the local people. The Ministry of the Solicitor General has, I believe, been apprised of this conflict.

Legislative action must ensure that the Ontario Humane Society's provincial executive is more accountable to the public and to its branches so that the bullying of the Thunder Bay executive which has taken place during the past eight months does not take place in the future. Perhaps it is about time the Ontario government lifted the virtual monopoly for animal control and welfare that the Ontario Humane Society currently exerts.

PERSONS DAY

Ms. Hart: I am pleased to announce to the House that Saturday, October 18, commemorates Persons Day, the day in 1929 when Canada's highest court of appeal, which was at the time the Privy Council in Britain, ruled that women were persons. That decision resulted from a challenge by four Alberta women of our federal government's policy of refusing to appoint women senators. The government argued that only men could be appointed, because the British North America Act did not say whether persons qualified to be senators included both sexes or only men.

In 1928, the Supreme Court of Canada upheld that argument and decided that women were not persons under the law of Canada. Fortunately for me and for all women in this country, the Privy Council overturned that ridiculous conclusion, and now all persons, women and men, are eligible to hold office. I think such a momentous decision in our history deserves recognition and celebration. It is in that spirit that I bring it to the attention of this House today.

DRUG BENEFIT FORMULARY

Mr. Andrewes: I will try to compete with the anvil chorus outside.

On September 3, 1985, the Minister of Health (Mr. Elston) wrote to pharmacists across the province and said, "Hopefully, you will have a new drug formulary in a matter of days." On September 17, 1985, legal action prevented him from meeting this commitment, a legal action that was resolved by the spring of 1986.

On August 18, 1986, the minister again wrote to pharmacists after the passage of Bills 54 and 55 and said, "I am pleased to confirm that an updated Ontario Drug Benefit Formulary under the existing legislation will be published in August 1986."

It is now October, and the ministry continues to present ultimatums to the Ontario Pharmacists' Association and fails to address the minister's commitment and public promise.

This inaction is a cause to ask several questions. Was the minister's promise in his letter of August 18 only rhetoric to appease a group of angry pharmacists, who now seriously doubt his credibility? Are the consumers of Ontario being well served by a system that denies them access to new, improved drugs? Are consumers who are taxpayers of Ontario getting a fair deal from the Liberal government that promised them lower drug costs, when this same government refuses to publish a revised drug formulary that would include a number of new, lower-priced generic drugs? These are questions the Minister of Health must answer.

SUNDAY RACING

Ms. Bryden: I rise to draw to the attention of the Premier (Mr. Peterson) and the government the recent experience of many residents in my riding when requesting an opportunity to be heard during the public hearings of one of the commissions appointed by his government. These hearings were considering an application for allowing Sunday racing at Greenwood Race Track commencing November 2, 1986. The

Ontario Racing Commission is empowered under the Racing Commission Act, Revised Statutes of Ontario, 1980, chapter 429, "to govern, direct, control and regulate horse racing in Ontario in any or all of its forms."

The commission's treatment of residents concerned with the impact of this decision on their neighbourhood, their livelihood and their peace and quiet on Sunday does not appear to be observing your avowed objective of providing the citizens of Ontario with open government. Even though the residents had notified the commission that they wished to be heard, the commission did not change the venue of the hearing, which accommodated only 40 people, nor did it make any alternative arrangements.

WORLD FOOD DAY

Mr. D. R. Cooke: Today about one billion people in the world either are undernourished or are actually starving, and 150 million people in Africa alone are actually starving. Today, October 16, has been designated as World Food Day by the United Nations Food and Agriculture Organization.

In keeping with this international humanitarian spirit, communities across our province have planned a series of events during the month of October. Practically every country in the world could become agriculturally self-sustaining if, with the encouragement of the first world, the Third World countries gave preference to feeding themselves over exports to the rest of us.

I am happy to report that in my community this is an active day. The Global Community Centre has fostered discussion in all the schools. St. Jerome's High School has a full-day workshop in place and Oxfam sponsored a successful public meeting last night in the Kitchener Public Library.

COURT FACILITIES

Mr. Pollock: On September 26, I wrote to the Attorney General (Mr. Scott) about the rumour that Madoc provincial court was closing and requested a meeting with him and Madoc council. I received no response to my letter, and my office called on October 8, October 9 and October 14. They said they would get back to me, but as yet, I have heard nothing. One finds it hard to believe it is cost that is causing the court to close when the interest on Roderick Lewis's severance pay would not only provide some renovations but also bear the cost of keeping the Madoc court open.

14:11

STATEMENTS BY THE MINISTRY AND RESPONSES

CROP INSURANCE

Hon. Mr. Riddell: In rural Ontario, there has probably been more attention devoted to crop insurance this year than there has been for some time because of the extreme weather conditions that farmers have been experiencing this summer and this fall. Crop insurance is a cornerstone of the efforts of the federal and provincial governments to bring farmers financial stability in the face of adverse weather. This is well known to all of us. The program has been in existence for 20 years and has served farmers and the governments well. It has become clear, however, that current economic conditions and shifting farmer demands have placed strains upon it.

Two reviews have been under way internally. The Federal-Provincial Working Group on Disaster Relief, set up by the agricultural ministers of Canada, recommended a number of issues for further study and follow-up.

In Ontario, I established a subcommittee, made up of Crop Insurance Commission of Ontario officials and Ontario Federation of Agriculture and federal government representatives, to review the program and identify issues for further study. Their report, which was submitted on Tuesday, has recommended some items that can be acted upon right away and others that require more input and discussion with commodity groups and other farm organizations.

I have discussed this with federal Minister of Agriculture John Wise and outlined my wishes for a major public review of the program to handle these larger matters. I am pleased to report that Mr. Wise is in agreement with this. The purpose of the program review would be to make recommendations for changes or improvements to the crop insurance program, if required or deemed advisable and desirable. It is our intention to assure the maximum benefit to the largest number of farmers possible through an equitable and actuarially sound insurance program.

Details of the terms of reference, who will be on the review committee and where public meetings will take place will be jointly announced by Mr. Wise and me once they have been worked out.

Mr. Stevenson: Once again today we have a great ministerial statement on crop insurance. I guess it all boils down to three lines on page 2,

which say: "The purpose of the program review would be to make recommendations for changes or improvements to the crop insurance program if required or deemed desirable."

We had an announcement in this House in April. We had a reannouncement of the same thing in August, when the minister came under heat and had not done anything. Most of the farm organizations had not even heard of the April announcement, and there had been little input. Here today again, it is mostly nothing.

We are happy, of course, that people will now have a public presentation to make to some review committee. Grower organizations have been making presentations to the minister and the ministry staff ever since he took office, and no changes have been made. Changes he said he was going to make prior to the last election have not been made yet. Anyway, I guess we should be slightly happy that changes will be made if required or deemed desirable.

Mr. Hayes: I am pleased to see the Minister of Agriculture and Food is taking steps to improve the crop insurance program. That is well overdue, and the program does need improvements.

I have to say, though, I am disappointed that at present the minister has indicated he is not prepared to help some of the farmers who have crop damage because of the rain and previous damage caused by the frost and has told farmers they should get crop insurance. According to the farmers I have been speaking to, crop insurance is not doing the job and it has to be improved. Farmers are not getting crop insurance, because it does not work; it does not do the job. I hope the improvements that are necessary will be made very shortly.

SALE OF BEER AND WINE

Hon. Mr. Kwinter: I am pleased to announce that later today I will be introducing a bill that will allow the sale of beer and wine in independent food stores.

Honourable members will recall that during the last election campaign—

Mr. Runciman: On a point of order, Mr. Speaker: We have not received copies of the statement at this time.

Mr. Speaker: Does the minister intend to have copies sent?

Hon. Mr. Kwinter: Mr. Speaker, they were supposed to have been distributed.

Mr. Speaker: Have the members received copies? If they have not received copies, I believe the standing orders say they must.

Interjections.

Mr. Speaker: Order. Have the members received copies? Are they on their way? Minister, continue with your statement.

Hon. Mr. Kwinter: The honourable members will recall that during the last election campaign our party said it would undertake such a measure. As a government, we now are keeping that promise. We believe our action today, as on other occasions, firmly signals our view that Ontario has come of age. We are a mature, vibrant and responsible community and the paternalism of the past must give way. The people of Ontario want to make choices for themselves. The duty of good government is to provide, in a sensible fashion, the opportunity to choose.

Since taking office, this government has advanced step by step towards updating the way Ontario regulates liquor. Still, in moving deliberately yet cautiously forward, we are not taking unnecessary risks. In respect to this legislation, we have only to look around us. Most of our sister provinces have already provided alternative choices in liquor distribution systems.

In the United States, 46 states permit the sale of beer, or beer and wine, in grocery stores. Four of the five states bordering on Ontario—New York, Ohio, Michigan and Minnesota—allow the sale of beer and wine in grocery stores.

This proposal comes after broad consultation over the past 12 months with consumer groups, the hospitality industry, producers and many other interested organizations and individuals.

With today's introduction of this bill, we are seeking to develop new ways of distributing alcoholic products in Ontario. Our resulting proposal seeks to maintain responsible control over alcohol and to minimize social concerns, while achieving four major goals: (1) to maximize convenience for consumers; (2) to help independent grocers remain competitive; (3) to provide assistance to the domestic wine industry; and (4) to increase the level of competition in liquor distribution and sales.

We have examined the concerns of those opposed to beer and wine in independent grocery stores. We can broaden the scope of liquor distribution without detrimental social consequences. We know it can work because we have seen it working elsewhere.

Before I turn to the details and rationale behind our proposal, I would like to outline the four basic changes we will be advancing.

First, we have decided that beer and wine sales should be extended to independent retail food

stores. For this purpose, a retail food store will be considered to be a store where food makes up 51 per cent or more of all sales.

Second, this is a province-wide initiative, but it does accommodate the dry and partially dry municipalities. Further, to accommodate wet municipalities that do not wish to have beer and wine sales in independent food stores, a right-to-refuse clause has been included in our proposal. This will allow individual municipalities, by means of a local council resolution or by a public referendum, to opt out of this initiative.

Third, the products that can be sold will be a selection of Canadian wine, beer, wine coolers and ciders that have an alcohol content of 14.5 per cent or less by volume. Wine must contain at least 70 per cent Canadian grapes.

Fourth, retailers will be required to charge prices that are at least the same as those offered in Liquor Control Board of Ontario and Brewers' Retail outlets. There will be no retail price ceiling.

The people of Ontario live in an era of convenience: convenience stores, convenience foods, convenience banking. Convenience for the consumer was a major objective when we framed this legislation; that and a desire to let a competitive breeze into the process, something that liquor distribution has needed for a long time in this province. After extensive consultation, we have developed legislation that strikes a fair balance between consumer convenience, business interests and social concerns.

Let me address some social issues that have been raised. During our examination of other jurisdictions, we found there is no evidence that an increase in the number of outlets automatically leads to increased consumption and social problems. There is no evidence to suggest that Ontario would be any different.

Direct comparisons between jurisdictions are often difficult to make but none the less, let me state the following. In Quebec, wines were introduced into grocery stores in 1978. There was no dramatic increase in wine consumption. Since 1978, wine consumption in Quebec has actually grown at a slower rate than that in Ontario. In Washington state, wines became widely available in grocery stores in 1969, and yet increases in consumption in the years following the change were comparable to increases in wine consumption in Ontario over the same period.

Officials in Quebec and Washington state have not reported increased incidences of public drunkenness, robberies or break and entries as a

result of policy changes. The overall pattern of impaired driving cases in Quebec, where there is the sale of beer and wine in grocery stores, remains similar to that in Ontario.

At the point of sale, the salesperson will be at least 19 years old.

Even for those who argue that an increased number of outlets means increased consumption, let me point out that experts say there are other factors that can affect consumption; these include price, selection and previous levels of availability. Our proposal deals directly with the first two. By not allowing discounts, prices in most food stores will be higher than in LCBO and Brewers' Retail outlets, and our proposal provides for limited selection of brands and sizes.

As far as the third factor, availability, is concerned, the United States National Research Council argued in 1981 that the density of outlets in terms of number and locations in North America likely had little effect on alcohol sales.

I would like to share with the members the way our new policy on wine and beer sales was developed.

Returning to our first concern, the choice of outlets, we agreed that sales should be permitted in independent food stores so they could compete more effectively in the marketplace. We looked to Statistics Canada, which defines independent stores as those with three or fewer outlets under one ownership.

Our second decision reflected our understanding of the diverse communities that make up this province. What is acceptable in one region may simply not be in tune with the values of another. That is why we included a right-to-refuse clause. Municipalities shall have a say in determining whether this liquor policy is implemented in their community. This approach continues the long-standing tradition of maintaining the principle of local option. At the same time, the Liquor Licence Board of Ontario will license, regulate and inspect the independent retail food stores which will sell beer and wine.

In addressing our third concern, selection of products, we had to consider a broad range of interests, from the Canadian wine industry to social and health groups. By including specific Canadian content requirements for wines, we can ensure that all products are truly Canadian in origin.

To facilitate the introduction of a new distribution system and to maintain the current policy of encouraging the return of beer containers, we intend to limit sales to domestic beer in

six-packs. Wine, ciders and coolers will be sold in the most popular sizes.

As for our pricing policy, by requiring a minimum price equal to that charged by the LCBO and Brewers' Retail, we have met the market demand for convenience while countering any undesirable promotional practices, such as loss-leader pricing, which might increase alcohol consumption.

We will also be consulting with the beer and wine industries, food wholesalers and other industry groups to develop proposals for the distribution system. The consultation process will also include discussion of the many issues that will be dealt with by regulation, including store licensing requirements, security and hours of sale.

In developing this legislation, we were guided by the belief that a reasoned and responsible approach is possible and that we can enhance consumer convenience while remaining sensitive to the concerns of social and health interests, small business, municipalities and the beer and wine industries.

I hope I have been able to demonstrate how this new legislation will strike a fair balance between convenience for consumers and the interests of other groups that make up our province. We have nothing to fear from progressive and responsible change to a system that has remained unchanged for too long.

I ask for the support of this House in bringing liquor distribution in Ontario into the 1980s.

SALE OF BEER AND WINE

Mr. Runciman: In response to the statement of the Minister of Consumer and Commercial Relations dealing with the introduction of beer and wine legislation, I would like to make a few comments with respect to the political gamesmanship we are witnessing today.

The government is introducing the bill in the face of overwhelming municipal opposition to its local option provision. It is doing it during a time of significant public concern over drunk driving and under-age drinking. It is doing it in the full knowledge that our partners in the General Agreement on Tariffs and Trade will never accept an Ontario-wine-only policy. It is doing it when potentially thousands of jobs could be lost as a result of this initiative and when the government stands to lose millions of dollars in revenue. Finally, it is doing it in the full knowledge that the legislation faces certain defeat in this House.

Is this political bravery, foolhardiness or another Liberal ruse? I opt for the latter.

If we were facing a majority government, this legislation would not be here. The government could make this change today through regulation if it truly wanted it. The fact is, it does not want it. It knows it is not workable, much less desirable. This whole exercise is a hoax, pure and simple.

We in this party, unlike the Premier (Mr. Peterson), believe this is an important family issue. It is important when in 1985 more than 400,000 people were challenged in Brewers' Retail stores mainly on the question of age and/or impairment. It is important when evidence in other jurisdictions, such as Michigan, clearly indicates that widespread abuse will occur with respect to minors being sold alcoholic beverages.

It is important when evidence from the Traffic Injury Research Foundation of Canada indicates the majority of fatal night-time driving accidents involve teenagers who have been drinking. It is important when the Addiction Research Foundation tells us that consumption levels will increase if grocery sales are allowed, and it is important when more than 40,000 people in this province were charged during 1985 with impaired driving.

This is clearly and unequivocally a family issue. The Premier and his public relations machine are not going to be able to gloss it over. The introduction of this bill is irresponsible; it is political gamesmanship and flim-flammy at its worst, and it is the ultimate insult to the voters of this province. This is probably the most anti-family, anti-youth piece of legislation ever to come before this House. I urge the Premier to call a halt to this charade by withdrawing the bill.

Mr. Swart: I want to comment on the statement made by the Minister of Consumer and Commercial Relations. The introduction of this bill is a sad commentary on the Liberal government of this province. An election promise made flippantly and in haste because polls then showed it was a popular issue is now being forced into this House. The government would have shown a lot more common sense and courage by dropping it.

The minister and the cabinet know it is going to worsen the already serious social problems connected with excessive alcohol consumption, particularly by the young and by heavy drinkers. It is not that there is not plenty of evidence to show those problems will increase; it is simply that the minister rejects it. For the minister and his party to pretend otherwise indicates how

much they are out of touch with the citizens and concerned groups in this province.

Interjections.

Mr. Speaker: Order. I remind the members there is a limited time for responses. Please allow the member the right to speak.

Mr. Swart: Mr. Speaker, I hope you will allow me an additional few minutes to make up for that time.

An Angus Reid poll taken a year ago shows that 82 per cent of the public believe beer and wine in the grocery store will increase sales to minors, while only five per cent say it will lessen them; 77 per cent believe it will increase sales to the impaired, while only six per cent think it will lessen them; and 70 per cent believe it will increase impaired driving, while only seven per cent think it will reduce it.

Further, the groups that have to deal with alcohol-related problems expect the same kind of results and oppose the proposal. These include the police, the health boards, the Ontario Medical Association, social work groups, the Association of Municipalities of Ontario, the Addiction Research Foundation, the trade union movement, school boards, school principals and so on. Not one social group has come out in support of the proposal by the minister.

The Minister of Consumer and Commercial Relations may tell all these people they are wrong and he is right, but somehow I, and I think the public, have more faith in those who are dealing with the problem than in a political party that started all this simply to make political points. The minister's proposal is a con job on consumers and other groups in our society.

This is what will happen. Beer prices will rise substantially on average and extensively in remote areas. Ontario will lose the residual GATT protection on the importation of foreign beer, and the flood from south of the border will destroy jobs in our beer industry. As happened in Quebec, the sale will spread to supermarkets, and the gain to the independent stores will be wiped out. Good-paying jobs in Brewers' Warehousing and the Liquor Control Board of Ontario will disappear.

Sales in the stores will not be limited to Ontario wines and beer. The minister's pitch to the grape growers and the wine industry is a sham. He said just five weeks ago: "GATT people are also very concerned about our discriminatory policy with European wines. They have already put us on notice that if we were to put beer and wine in the corner stores and exclude them, this would in fact be the straw that

breaks the camel's back and they would really ask for sanctions against us."

The minister is inviting these sanctions. He knows all these points, but he is simply trying to fool the public. This bill is a can of worms, both politically and socially. For our part in this party we will do everything we can to stop this foolish and dangerous move.

14:37

ORAL QUESTIONS

SALE OF BEER AND WINE

Mr. Grossman: My question today is not for a member of the overworked A team nor for the B team. We thought we would go for the C team this afternoon. My question, therefore, is to the Solicitor General, the member for Kingston and the Islands. The Attorney General (Mr. Scott) can send him a note, if he wishes, before the minister attempts to answer.

The police chiefs of Ontario have spoken out loud and strong against any suggestion that beer and wine be put into the corner stores, fearing the social unrest that may well result. Does the Solicitor General agree with the police chiefs of Ontario, and has he represented their position in cabinet?

Hon. Mr. Keyes: I do not take a position as Solicitor General or as a member of that C team—careful, cautious, courageous; whatever the member wants to term it—ever to attempt to endorse the stand of the police chiefs. I respect the position they take, as I do the position taken by any member of this House, but I have my own position on the issue. I am quite prepared to support the bill that has been brought before this House.

The members opposite may wish to be against the bill; so be it. I have had sufficient experience in the municipal field and in looking at other municipalities, provinces and states where this up-to-date and rather modern innovation has taken place. There is no proof to justify the comments made by the Leader of the Opposition (Mr. Grossman) that we are in for great social unrest and turmoil that will hit all of society.

Mr. Grossman: I say to the Solicitor General—

Interjections.

Mr. Speaker: Order. I will just wait.

Mr. Grossman: The question is, does the member for Timiskaming (Mr. Ramsay) support it today, as he did three weeks ago, or does he oppose it today, as he did three weeks ago?

Apparently, the Solicitor General does not support the police chiefs of Ontario, whose voice he ought to be in the cabinet of Ontario. May I cite for him the federal statistics? They indicated that in 1985 the impaired-driving-related accidents for young people between the ages of 16 and 19 accounted for 23 per cent of all fatalities. Of 1,000 people killed in traffic accidents, 50 per cent were impaired, and 20 per cent of all those killed in drunk-driving accidents were 19 years of age or younger.

Given that evidence, is the Solicitor General prepared to support the police chiefs of Ontario and say to his colleagues that additional fatalities because of young people drinking and driving is an unacceptable price to pay to honour an election promise?

Hon. Mr. Keyes: The question is enforcement of our laws, just as our policemen have supported wholeheartedly the "strict is fair" campaign on our provincial highways, which has reduced substantially the number of accidents in this province. If the honourable member looks at the statistics for this past holiday compared to those of a year ago, there were 84 deaths under the previous administration. These are down to 29 this year by giving our people the right support.

As the police chiefs have said to me, "We feel free to offer you our opinion, but being the good civil servants we are, we will support whatever rules are brought in by the government."

Mr. Grossman: I have no question about the dedication of the police chiefs of Ontario and the fact that they will try to reduce the awful impact this legislation will have.

Contrary to the complaints and suggestions of the minister's boss, the Attorney General, it was found in Quebec that after the passage of Bill 21, the number of drunk-driving offences increased by 46.9 per cent in the northwest region and by 26 per cent in the New Quebec region. Given those statistics, which show provably that there was more impaired driving after beer and wine were introduced in the corner stores in Quebec than before, is the Solicitor General prepared to suggest to his colleagues that they rethink this position?

Hon. Mr. Keyes: We cannot compare the statistics of Quebec with those of Ontario, just as there are many other things we cannot compare.

Mr. Grossman: We just did.

Mr. McClellan: Somebody is not telling the truth. Which one is telling the truth?

Interjections.

Mr. Speaker: Order.

Mr. Grossman: Be careful. The A team kneecaps the C team when they disagree, as the Minister of Colleges and Universities (Mr. Sorbara) will tell the member.

RETIREMENT OF CLERK

Mr. Grossman: My next question is for the Premier. He has reminded the House in the past couple of days that he wants to be very cautious in responding to the taxpayers' concern about the \$2-million gift given to the former Clerk and therefore will not respond to any suggestion that perhaps the Premier might have removed him from office because of lack of competence. Therefore, I want to make the Premier's job easy this afternoon and give him an opportunity to defend the integrity and reputation of the former Clerk. Will the Premier agree with me in an unqualified way that the former Clerk is today capable and competent to serve as Clerk of Ontario?

Hon. Mr. Peterson: I always get nervous when my honourable friend asks me to agree with him in an unqualified way because he is trying to set something up. I can understand his being cranky after his experience in Owen Sound yesterday. The member should not be upset. I had one of those in Kenora. My honourable friend will remember. Those are the joys of being—in fairness, I was charging only \$7 in Kenora. Anyway, he was the only one who showed up.

I am not going to get involved in a discussion in this House of the Clerk's personality or his attributes. I have said to the member on several other occasions, and I will keep repeating it if he likes, that we felt it was time for a change. We have made the changes we felt were necessary, just as we have made many other changes in this House.

Mr. Grossman: I should correct the Premier's impression. I was not in Owen Sound last night. I was in Sarnia where 120 very agitated and angry doctors turned up to protest the treatment his government afforded them. Once again, his briefing is wrong.

Mr. Speaker: Order. Supplementary question.

Mr. Grossman: I was there to try to sort out for them who is the Minister of Health, and there were four answers available to them.

Mr. Speaker: Supplementary.

Mr. Grossman: The Premier should make a note to fire that highly paid, \$57,000-a-year staffer who gave him that wrong information.

If he believes it was wrong to give the Clerk the security of a lifetime appointment, in passing the order in council to appoint the new Clerk, why did the government again give a lifetime appointment?

Hon. Mr. Peterson: The member is wrong again, but I can understand his being upset that 120 agitated and angry people were after him last night. Wherever he goes, he makes people agitated and angry.

That is not the case. The order in council was passed subject to changes in the Legislative Assembly Act affecting that position. It is something we discussed in cabinet and it will never happen again. We have looked after it. We have anticipated the problems in the future, and I am sure we will not have any that we cannot deal with.

Our problem is that we are trying to clean up an act that the former government passed in 1974 giving a 63-year-old man lifetime employment. That is the situation we had to deal with. Surely, in all candour, the member has to stand up and recognize that he and his colleagues caused the problem and not us.

Mr. Grossman: The Premier has raised the 1974 appointment. I want to read for him what the spokesperson of his party at the time, Jim Breithaupt, said in speaking to the amendment. He left, but he did not get the kind of severance package from us that they give people when they get rid of them. I want to read—

Hon. Mr. Scott: Tory lifetime appointment.

Mr. Grossman: The Attorney-General should be careful. We will ask him about abortions if he is a bad boy this afternoon.

Mr. Speaker: Order. Final supplementary.

Mr. Grossman: Mr. Breithaupt said, and I quote directly from Hansard: "The terms which are set out as proposed in the amendments are most satisfactory. Surely this office should be filled, clearly during the good behaviour of the incumbent person, and also the removal of that person should not be on any capricious basis, but rather on the address to the assembly," etc.

So much for the position of the Liberal Party when it comes to the lifetime contract that it paid \$2 million to try to get out of.

14:50

Mr. Speaker: Question.

Mr. Grossman: I have the order in council hiring the new Clerk. It says he will be appointed

Clerk of the Legislative Assembly at pleasure, subject to any amendment subsequently enacted by the Legislature.

Mr. Speaker: Question.

Mr. Grossman: In essence, you hired him—
Interjection.

Mr. Grossman: Do not take advice from him. The last time, it cost the taxpayers \$2 million.

Interjections.

Mr. Speaker: Order. Does the member have a supplementary or not? It has taken two minutes so far.

Mr. Grossman: Is it not accurate to say that the government fired the former Clerk and then tried to negotiate the terms of his severance, just as it hired the new Clerk, at pleasure, for life, and is once again going to discuss the terms of that employment later, as per the order in council?

Hon. Mr. Peterson: The Conservative party participated in the choice of a new Clerk. We have gone through this many times and we can keep on doing it. I do not agree with the member.

EXTRA BILLING

Mr. Rae: In the absence of the Minister of Health (Mr. Elston), I want to ask the Premier about some of those doctors the leader of the Conservative party has been talking to. Does the Premier care to comment on the fact that Mrs. Gertrude Goltz, a senior citizen and pensioner living in Capreol, which the Premier will know is near Sudbury, was billed \$25 by her ophthalmologist to write a letter of referral for treatment by a Toronto doctor? In addition, this doctor charged her \$10 to complete the northern travel form.

Mrs. Goltz is a pensioner. We have a basic law of the province which we have put in place with respect to Bill 94, an end to extra billing. Northerners have a basic right to apply for treatment in southern Ontario. We have here a case of a doctor who is charging a \$35 fee to a senior citizen to get treatment in Toronto.

What is the Premier going to do to stop this erosion of universal medicare and to stop this intrusion of tin-cup medicine back into the medicare system after Bill 94?

Hon. Mr. Peterson: I appreciate the honourable member bringing that example to my attention. The member will be aware that there have been others. We are most anxious to have a system that does not present those kinds of barriers, particularly in the type of example he raised, although I am not specifically familiar with that example.

There are others that are being investigated under the system. Some services are insured and some are not insured. I cannot tell specifically how it relates to the member's example, but I will ask the Minister of Health to gather up the information pertaining to that case and others, and I will be back to him on the details.

Mr. Rae: I hope the Premier has more success with his minister than my colleague the member for Sudbury East (Mr. Martel) has had. He wrote to the minister on August 18 asking for an answer with respect to Mrs. Goltz's situation.

In Toronto today, obstetricians are charging upwards of \$150 as a "standby" fee for women who are pregnant. Is the Premier aware of that situation facing women in this city and, indeed, across the province, and what does he intend to do about it?

Hon. Mr. Peterson: I am not aware of that case, although particulars of other types of cases have come to my attention. I have read about them in the newspapers. It is something the ministry is looking at. It is impossible to tell the extent of that kind of practice, but it is obviously something that concerns this government.

I am sorry that I am not in a position to give a definitive answer to the question the member has raised today, but it is something we will monitor very closely.

Mr. Rae: That is precisely the same answer the Premier and the Minister of Health gave us last spring when, after we passed Bill 94, we began to raise the issues which emerged very quickly. The Premier has been standing by and doing nothing while many in the medical profession have devised a strategy to get around the whole purpose and thrust of Bill 94.

Will the Premier comment on the following editorial view expressed in the August issue of the Ontario Medical Review:

"With the implementation of the Health Care Accessibility Act, new interest has been shown in charging for services which have been provided gratuitously. For the opted-out physician, it is the only legal means of improving income to meet the added expense of opted-out practice. For the opted-in physician, it is a legitimate method of introducing private funding into a health care system otherwise totally controlled by government."

The Premier has spoken on many occasions about the need to inject private funding into health care. I wonder whether he is aware of the way in which his word and the policy of his government are being taken advantage of by the

official view of the Ontario Medical Association?

Hon. Mr. Peterson: It is no secret that the official views of the OMA and the government differ on a wide variety of matters. I cannot speak about why they publish certain things in their editorials, but I am not surprised. I have not read that particular one.

As the honourable member knows, we have a different view. He will recall that last spring we went through an extremely difficult discussion with the doctors. I know his view on these situations. We are not interested in exacerbating the difficulties that were outstanding between the government and the medical profession. We were not interested in legislating for the sake of legislating.

I can assure him that the examples he brings today to my attention and to the minister's will be taken seriously. I will discuss it with the minister. I do not have a remedy. If he is asking me for a new piece of legislation or something of that order, I do not have that in mind at the moment, but I will certainly try to examine the extent of that kind of practice so that we have a clear handle on it. I thank him for bringing it to my attention.

UNIVERSITY FUNDING

Mr. Rae: I would like to ask the Treasurer a question. The leader of the Conservative party (Mr. Grossman), the Minister of Colleges and Universities (Mr. Sorbara) and I attended a very lively and rousing rally. It was not only a reception for Dr. Polanyi, but it was also a clarion call for recognition of the disease of underfunding which has hit our university system. The Minister of Colleges and Universities made a special point of emphasizing that he was going to be speaking to the policy and priorities board of cabinet this afternoon with respect to the problem of underfunding.

I would like to ask the Treasurer the precise position of the government. Is it the Treasurer's intention to recognize the need for increasing the national average by an injection of \$170 million more; is it the Treasurer's intention to meet the national average calculated on the basis of ratio of population/university funding by increasing funding by \$233 million, or is it the Treasurer's intention to reach the national average calculated per thousand dollars of personal income and inject an additional \$450 million? Which of the three options, which no doubt the Minister of Colleges and Universities will be putting to the

Treasurer, does he intend to follow to ensure that our universities are no longer underfunded?

Hon. Mr. Nixon: I intend to be at that meeting this afternoon. I certainly hope to be there and to hear what the honourable minister has to say. We discuss these matters and others on a continuing basis. The honourable member will know the allocation of provincial funding for the coming year is an important and time-consuming operation with many important discussions.

The honourable member will also know that the underfunding of universities has a long history in this province. We tried to reverse that by establishing a funding level last year at eight per cent, double the level of inflation, and on top of that, by providing an additional \$46 million for capital purposes.

I am not at all prepared to argue with the honourable member as to the sufficiency of that funding, but at least it is an indication we are living up to our election commitment and placing a priority on post-secondary funding. He will be aware that an additional \$60 million—above and beyond the substantial increase for colleges that was contained in the budget a year ago—was allocated to the colleges.

I am not at all embarrassed and certainly not ashamed of this particular commitment, nor do I argue with the presidents and the students, a group of whom have been lobbying in front of the Legislature during the past few minutes. I do not object to their indicating that more is needed. I am not responding in detail to what the honourable member has put to me, because these matters are under discussion, but I have indicated that the transfers will be at least at the level of inflation and, we hope, higher, and that the announcement will be made by November 1.

15:00

Mr. Rae: I only wish that the Treasurer and other members of the cabinet could have listened to the words of Dr. Polanyi, who has no particular political axe to grind. He said, and I think I am quoting him fairly accurately from memory, that in terms of finances, the situation is not simply serious; it is desperate. He was speaking, as the Treasurer will know, as the most recent recipient of the Nobel Prize in Canada, someone to whom we paid great tribute in this Legislature yesterday.

If it is the Treasurer's intention simply to match inflation, does he not realize this will do nothing to meet the disgraceful fact that Ontario is, depending on one's calculations, either ninth out of 10 or 10th out of 10 in terms of national average and that, however one calculates that

average, there is a need for the injection of at least an additional \$170 million over and above inflation to meet the needs of our university system? Is the Treasurer not aware of that, and what does he intend to do to meet that?

Hon. Mr. Nixon: Dr. Polanyi was able to express his views at that important meeting. I am also delighted he was able to carry on his work at the University of Toronto, which is, I think, with perhaps one exception, the best university in Canada.

As far as its funding is concerned, we hope to make it clear to the member and others that we are not simply funding at the inflation rate, except for operations. I already indicated that at eight per cent we were at double the inflation rate this past year, plus there was a substantial infusion of additional capital. I also indicated that these discussions are ongoing. The presidents in particular, along with the students, have given us the benefit of their strongly held views in this regard.

The member and others will remember this was a substantial issue in the election 18 months ago. We established then the priority of post-secondary funding. I have already indicated that we have begun in a positive way to move Ontario out of the statistical morass the member referred to.

Mr. Rae: The situation in which the universities find themselves is one that any reasonable observer would have to agree is critical. I wonder whether the Treasurer is aware that state systems in the United States, with which Ontario is competing in terms of attracting the best students, graduate students, research and professors, and which are publicly funded—I am thinking of large states such as Michigan, California, Ohio and Illinois—have all substantially increased their funding during the past five years in a way that has no parallel whatsoever in Ontario? Theirs has gone up substantially while ours, as the Treasurer knows, has been cut in real terms, in relation to inflation.

Mr. Speaker: Question.

Mr. Rae: Does the Treasurer not realize that if his government strategy for high tech is serious, real and not just a matter of rhetoric, and that if his commitment to democracy is real—and I know it must be—it means a recognition that using inflation as the base upon which to judge funding is no longer adequate? We have to look at a desperate situation and meet it by additional funds. Does the Treasurer not recognize that fact?

Hon. Mr. Nixon: I certainly am aware of the statistics from the various states. Their funding on a per capita basis is richer than ours. That is certain.

The honourable member also referred to the commitment to the promotion of technology in the province, and the Premier's special committee is looking after additional funding of \$1 billion during the next 10 years, with \$100 million this year and each subsequent year. Of that fund, \$15 million is specifically committed to the university. Those funds will be payable this year.

I am not denying for a moment that the situation we inherited was abominable. We are moving to correct it, unfortunately not as fast as the member or even anyone on this side wishes, but we have accepted it as a priority, and I hope the announcements made later in the year will at least be acceptable to any objective observer that we are moving in that direction.

Interjections.

Mr. Speaker: Order. We have finally got to the point where we can allow members other than the leaders to ask questions. Please allow other members to do that. The member for Sudbury.

UNEMPLOYMENT IN NORTHERN ONTARIO

Mr. Gordon: I have a question for the Minister of Industry, Trade and Technology. During the summer, the Premier (Mr. Peterson) toured northern Ontario, and he said to northerners: "Tell us what you want when it comes to jobs. Give us the initiatives, so we can act on them." The forest workers, the mining workers and the steelworkers in the Sault want jobs that ordinary people can do. Can the minister tell us what programs he has in place that will provide northerners—ordinary working people—with jobs?

Hon. Mr. O'Neil: I do not know whether the honourable member was here yesterday, but a similar question was asked by one of the Conservative members. In answer, I stated that several moves had been made by this government, more moves over the past few months than ever were made during the 42 years of Conservative rule.

Once again, I would be very pleased to mention such things as where we have moved divisions or whole ministries to the north. We have held conferences, and intend to hold further conferences in the north, to get advice from the people of the north as to what we should be doing.

As far as the Northern Ontario Development Corp. is concerned, during 1985-86 we put in \$25.4 million, which should create 2,806 jobs over the next few years. The Minister of Tourism and Recreation (Mr. Eakins) has told me he has recently put in more than \$4 million. We have been making a lot of moves in the north to help create jobs.

Mr. Gordon: We recognize that the minister is interested in giving northerners minimum-wage jobs; that has been his policy for some time now. However, the minister surely realizes that northern workers want to share in the future prosperity of the southern part of this province.

Is the minister prepared to bring forward a program that would encourage the parts manufacturers from southeast Asia that are going to be moving into this province to locate in some of the major centres in northern Ontario? Will the minister bring forward incentives for this and bring forward a program in which ordinary working people can play a part?

Hon. Mr. O'Neil: One of things that is constantly mentioned to any of these people who are considering locating in Ontario is that we are trying to put as much industry as we possibly can into two neglected areas: northern and eastern Ontario. Our discussions always centre on that. We make sure that any industries coming into the province are made aware of the communities in the north and the desire for jobs in that area.

SUNDAY RACING

Ms. Bryden: I have a question to the Minister of Consumer and Commercial Relations. This week, the Ontario Racing Commission was dealing with an application from the Ontario Jockey Club to be allowed to end the 125-year tradition of no Sunday racing at Greenwood Race Track in my riding. The commission ruled that it did not have jurisdiction to consider the impact of this application on the neighbouring residents, traffic and transit patterns, local churches, local merchants and access to the whole community for the many recreational opportunities in the Beaches.

This interpretation of their mandate means local residents do not have any tribunal to which they can apply for protection of their traditional enjoyment of their properties with their friends and relatives on Sundays. Will the minister therefore consider amending the Racing Commission Act, if necessary, to ensure that the rights and needs of the community which shares its neighbourhood with this huge sports complex are considered and protected?

15:10

Hon. Mr. Kwinter: The matter the member addresses is one that is currently before the commission. The Ontario Racing Commission has jurisdiction over racing matters only. There is another tribunal to which the citizens can apply; that is, the city council. The Ontario Racing Commission is structured to deal with racing matters. Matters dealing with parking, noise and congestion in the streets are not in its jurisdiction. It was told that, which is where the matter sits.

Ms. Bryden: Since all members of the present Ontario Racing Commission are connected with the horse-racing industry and would appear to have a conflict of interest if it were asked to consider this question, will the minister set up an independent provincial tribunal to which the residents might apply for consideration of their interests, since the municipality does not have the power to deal with all their complaints or the effect on the whole community? There must be full opportunities for public hearings.

Hon. Mr. Kwinter: Under city bylaws and zoning bylaws, city councils designate whether there can or cannot be a racetrack. When a racetrack is prescribed for an area, citizens have a chance to make representation to their elected officials to say why they want it or why they do not want it.

That racetrack is there, and all that is happening is that the Ontario Jockey Club has made an application to race on Sunday, as is common everywhere else in Ontario. The only jurisdiction the racing commission has is whether it wants to grant them those dates; it does not have jurisdiction in other areas. It was told that at the hearing by a lawyer, and the group that appeared before it was told that.

I sympathize with the problem of the people in the area; however, the racing commission is not empowered to deal with it. They have to take another route, and they have to get legal advice about how to do it.

RETIREMENT SAVINGS

Mr. Callahan: I have a question of the Treasurer. Recently, the federal Minister of Finance announced an increase in the pension deductions that self-employed individuals can use; he brought it from \$5,500 to \$7,500. Is the Treasurer aware of whether there will be a similar increase for those who are not self-employed? If so, when will it be taking place?

Hon. Mr. Nixon: That announcement was made when I was travelling abroad. However, as

I recall it, the availability for registered retirement savings plans will be across the board, for high incomes and low incomes. It is so complicated that the federal department is going to give a written statement to each individual indicating how much room is left after pension contributions to go into an RRSP.

I had the impression it would favour the high end of the income system more than the low end, and I had a natural concern that once again the government of Canada was responding to the high-income people in this regard. I was also concerned that, since we are worrying about tax reform, we will be having a meeting of the treasurers and the Minister of Finance about tax reform. I wish he had left that alone for a little while until we could have integrated it with a more acceptable approach right across the board.

SALE OF PATENTED LAND

Mr. Martel: I have a question of the Minister of Municipal Affairs. The minister will be aware that 117 acres of mining claims were patented to a Mr. Fulton in the township of Drury and Trill in 1936 and 1941 at a cost of \$374. Falconbridge Ltd. purchased those properties and has paid 50 cents a year in tax on 117 acres. Since the land was patented for mining purposes, why did the ministry give approval to Falconbridge to subdivide this property into cottage properties?

Hon. Mr. Grandmaitre: I cannot recall the exchange in 1936 and 1941, but I will definitely look into it.

Mr. Martel: The minister has already responded to me in a letter; so maybe I will ask another supplementary.

The land in question was purchased for \$3 an acre, and the tax paid on it over 40 years was 50 cents an acre. Falconbridge is selling the property at \$10,000 to \$15,000 a lot, two lots per acre, \$20,000 to \$30,000. Falconbridge is both vendor and mortgagor and has instructed the cottage owners to get off by the end of December.

Does the minister not realize that the land Falconbridge is selling is priced at least 5,000 times per acre what it paid for it? Does the minister not understand that the purchase price and tax rate were based on mining patents and have not been charged at the appropriate price for cottage land? What kind of ripoff and what kind of benefit is the minister giving to his friend Jesse James and Falconbridge?

Hon. Mr. Grandmaitre: Again, I promise the member I will get back to him personally

within 24 hours with an answer to all his questions.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Hennessy: I intended to ask my question of the Premier (Mr. Peterson), but I understand he left when he learned I was going to ask the question; so I will refer it to the Deputy Premier.

The government's fire sale of the Urban Transportation Development Corp. has resulted in 50 layoffs in Kingston and approximately 15 in Thunder Bay since the deal closed in September. The Deputy Premier may also be aware of reports that the health benefit packages for nonunionized workers in Thunder Bay have been cut and that unionized workers are worried they too will lose some of their benefits.

Will the Deputy Premier assure this House that job guarantees, as worked out by the province and Lavalin, will be honoured so that the workers of Thunder Bay and Kingston will not be forced to pay the price of government mismanagement?

Hon. Mr. Nixon: May I refer the question to the Minister of Transportation and Communications (Mr. Fulton).

Hon. Mr. Fulton: I assure the member for Fort William that there have been no new layoffs. Any temporary adjustment in staff is that which we and the participating companies announced some time ago. There have been no additional layoffs. Obviously, some adjustments are taking place; there is some movement back and forth between Thunder Bay and Kingston.

I am not aware that anyone is being disbenefited in any way, shape or form in terms of the medical benefits and pensions and so on that the member referred to. However, I will take it upon myself to investigate further, and if there is anything to be reported, I will do so.

Mr. Gregory: I too regret that the Premier is not here. In view of the concerns that have been expressed regarding UTDC, will the minister table in the House all the documents and papers concerning the finalized terms of agreement between Lavalin and the province, and will he do it immediately?

Hon. Mr. Fulton: I thought that had been done with the proper committee. If it has not been done, of course it will be done.

NURSING HOME DEATHS

Mr. R. F. Johnston: My question is for the Minister of Health and is with regard to the Ellenvale Acres Nursing Home, rural route 3, Perth. The minister is probably aware, in that his

ministry is investigating, that in the five weeks between July 28 to August 31 three young residents died in that institution—one 12-year-old, one 20-year-old and one 22-year-old. Can the minister tell us what is the status of his investigation and whether we are going to see any inquests into these deaths?

15:20

Hon. Mr. Elston: I cannot tell the member whether there will be an inquest, but I will check and get back to him. As the member knows, that is the prerogative of the coroner. I will update him on the status of our investigation as well.

Mr. R. F. Johnston: The reason it is important that the minister involve himself is that, as he is probably aware, the coroner suggested initially that the 12-year-old died of sudden infant death syndrome; that the 20-year-old died of a bowel obstruction and perforation, even though there was no other symptomatology except for a high temperature, and that the other person returned from hospital perhaps rather prematurely and died of a pulmonary oedema.

Is the minister aware that all of these deaths took place on weekends and that there is a major question here of preventability?

Hon. Mr. Elston: I suspect the question of preventability would be on the mind of the coroner. I leave it to his discretion as to whether to examine those matters further.

If the member is suggesting that there were some deficiencies in the care provided, he ought to make those allegations known to me. I will check them further. I will provide him with an update of the investigations as they are provided by my ministry.

USE OF LOTTERY FUNDS

Mr. Rowe: My question is to the Minister of Tourism and Recreation. Under present legislation, approximately two thirds of lottery profits are approved for health-related projects: cancer research, homes for the aged, etc. Why then has the government over the past four months sent a message of fear into the pocketbooks of every organized fitness, recreation, sports, cultural and municipal association in Ontario by way of Bill 38?

Hon. Mr. Eakins: There is no message of fear. The people of Ontario know that in the last year there has been more funding provided to the sports, recreation and cultural associations than there has been for many years.

Interjections.

Mr. Speaker: Order. I will just wait.

Mr. Rowe: If there is no fear, then there is either no mail to the minister's office or he does not read—one or the other.

Mr. Speaker: Is that the supplementary?

Mr. Rowe: If there is no intention on the part of either the minister or the government to reduce the funds available to recreation, fitness, sports and cultural programs, etc., then why is the government going to remove the designation as protected by law in section 9 of the Ontario Lottery Corporation Act with the intended Bill 38?

Hon. Mr. Eakins: Let us remove the fear and set the record straight. While the previous government did not change the designation, remember that it froze the capital construction program in 1983 and there has not been a program since. We have made \$15 million available to that program.

It made \$3.4 million available for a capital conservation program. Under our Premier (Mr. Peterson) and our Treasurer (Mr. Nixon), we made \$10 million available. We tripled the budget. There is no fear whatsoever; the people know that.

Interjections.

Mr. Speaker: Once again, I will just wait. Order. I am not going to recognize anyone until there is order.

UNEMPLOYMENT IN NORTHERN ONTARIO

Mr. Morin-Strom: I have a question for the Minister of Industry, Trade and Technology about the continued devastating loss of jobs across northern Ontario, in the industrial sector in particular.

Losses continue across the north: Algoma Steel in the Sault; Kimberly-Clark in Terrace Bay; Great Lakes Forest Products in Thunder Bay; Kidd Creek Mines in Timmins, and now most recently we hear about Falconbridge nickel laying off hundreds of employees in Sudbury. Where are we getting the new jobs?

Given the minister's comment earlier today that he is placing more emphasis on putting industry into northern Ontario, can he give us one example of where his government has done anything to get an industrial enterprise either to locate in the north or to expand its operation in northern Ontario?

Hon. Mr. O'Neil: First, I thank the member for the question, because it is not only a concern for his party and the Conservative party, it is also

very much a concern for us. We are very disappointed in the job creation in the north. We are disappointed at the large number of jobs lost.

As I mentioned to the member for Cochrane South (Mr. Pope) the other day and the member for Sudbury (Mr. Gordon) today, we are attempting to do whatever we can to assist with that. I would be very pleased to send to the member, if he would like, a list of where we have contributed to the Northern Ontario Development Corp. to create jobs there. I would also be happy to supply him with a list of the tourism projects we have. I would be very pleased to supply him with a list of the new ventures program whereby we have started new businesses.

There are some programs, but we are not happy with the job losses and the job situation in the north.

Mr. Morin-Strom: I will reiterate what northern Ontarians feel. They are not happy either with what has gone on. The concern is that, for the kinds of real industrial jobs we need in the north in forest products, in the mining sector and in secondary manufacturing related to the kinds of industries that make sense for the north, we have not seen any initiatives from this government that have resulted in any new jobs in any of those sectors.

When is the government going to take some specific action to ensure that we get some industry in northern Ontario, not just the kind of tourism jobs and civil servants' positions we have heard about so far?

Interjections.

Mr. Speaker: Order. Will the minister take his seat? I gather the members do not want an answer.

TARIFFS ON SOFTWOOD LUMBER

Mr. Pope: I have a question for the Minister of Industry, Trade and Technology, a question he refused to answer yesterday. We are about to have an announcement out of Washington with respect to the countervail duty. The minister's answer yesterday showed that he understands neither the history of the matter nor the seriousness of it for the workers of northern Ontario.

During the last countervail duty application in the United States, a minister of the former government went to Washington four times. He met with Senator Cohen of Maine and Senator Packwood of Oregon. He met with the staff of the International Trade Commission, with Secretary Baldrige and with officials down there and

worked with the federal government to establish Ontario's unique interests and position.

What has this minister done during the past four months to protect Ontario's interests, Ontario's industries and Ontario trade in the face of this kind of duty application?

Hon. Mr. O'Neil: As the honourable member is likely aware, we are expecting an announcement some time later this afternoon on the countervail duties. I will tell him that we on this side of the House have been very active. Not only have we been meeting with the federal minister, but we have also been meeting with the provincial ministers of trade and natural resources, both myself and the Minister of Natural Resources (Mr. Kerrio). Even yesterday the Minister of Natural Resources travelled to Quebec to meet with his counterparts, and we are awaiting the news this afternoon just to see what the answer is.

Mr. Pope: I am sorry, but the hearing is in Washington. It is not in Quebec City and it is not in Ottawa; it is in Washington. Where has he been for the last four months while Canadian and Ontario jobs were at stake? Why was he not down there fighting for Ontario's interests instead of having his silly meetings in Ottawa? Who spoke for Ontario during the last four months?

Interjections.

15:30

Mr. Speaker: Order. I am finding it very difficult on both ears.

Hon. Mr. O'Neil: As I mentioned, we feel negotiations such as this should be handled by Pat Carney in Ottawa. We have given our input on a daily basis. Our officials have been working very closely with her and we feel we have had a lot of input.

Mr. Davis: We will remember that.

Mr. Pope: That is ridiculous. Silly.

Interjections.

Mr. Andrewes: Is that the way they feel on environmental issues?

Mr. Speaker: Order. What is wrong with the member for Lincoln (Mr. Andrewes)?

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

Mr. Allen: I have a question for the Minister of Municipal Affairs. The minister will remember that in the fall of 1985 when the bill I presented providing for the general election of the regional chairman passed this House in private members' hour, he indicated it would be

coming back to the Legislature. When I asked that question again in the spring session, he reiterated that it would be coming back to the Legislature for further consideration. I wonder whether I can put the same question to him now. When will that piece of legislation be coming back to us in this Legislature so we may pass on that, a matter that has the unanimous support of the people in our region?

Hon. Mr. Grandmaitre: The member is quite right. Our legislative agenda was limited in the last session, but I intend to introduce it as soon as the agenda permits. The legislation is all ready to go.

Mr. Allen: I wonder whether the minister can be a little bit more specific. As the regional chairman of Hamilton-Wentworth indicated on Metro Morning a week ago, there is a solid position with regard to that whole issue in our region. Council, both regional and the city, and the public have supported this issue in a petition. There is no question it is urgently desired and needs to be resolved very soon for our region.

When the minister brings this back to the House—and I hope he will give us a clear date on that question—will he be urging his fellow caucus members to support it in this Legislature?

Hon. Mr. Grandmaitre: I can assure the honourable member that the caucus will support me on that one. I would like to remind him that this is not new. The legislation he is referring to has been pending for the past six years. Five or six weeks will not do any more damage. I intend to bring it back to this House with the support of caucus.

CROP INSURANCE

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. It comes from the Liberal manifesto of April 16, 1985, a new spiel for Ontario farmers. Plank 11 promises to amend the crop insurance program to allow the establishment of an insurance scheme whereby those farmers who have crops planted over several parcels of land can buy separate coverage for each parcel. That would have been very useful this summer and would have saved the minister and his government a lot of sweat. When can we expect that item in the crop insurance program for Ontario?

Hon. Mr. Riddell: That will be part of the study to be made by the committee whose establishment I announced today. I think the honourable member does not understand that crop insurance is a federal program and comes under federal legislation. This minister and this

government do not have the authority to make major changes to the crop insurance program without the blessing of the federal government. That is the reason this committee has been set up with federal representation. If I can get the co-operation of my counterpart in Ottawa, we hope to move ahead expeditiously with the study and the review this committee will be making. I can assure the member that one of the things it will be looking at is separate farm coverage.

Mr. Stevenson: Is the minister telling me today that when he wrote this as one of the promises for Ontario's farmers, and one that would certainly be favourably received, he had done no research on his authority to make this promise, he did not have any idea of the cost of that promise and had not done any consultation with anyone looking at the cost-effectiveness of that promise? He just put it out there point blank with no thought of whether it would be acceptable or anything else relating to the crop insurance claims?

Hon. Mr. Riddell: I guess that when this was written there was every anticipation that there would be a federal Liberal government restored in Ottawa and that we would have the co-operation of the federal government in order to make the changes we felt necessary to the crop insurance program. However, that is not the case. I have to say we have not been getting to this time the kind of co-operation I had hoped we might get, but I have a great deal of respect for my counterpart in Ottawa, John Wise, who, I think, is trying to do a job but has a lot of bull-headed cabinet ministers with whom he has to deal. I am sure we can expect some changes to the crop insurance program, and those changes within my authority to make I shall make; otherwise we will have to wait to see whether we can get the blessing of the federal government.

Hon. Mr. Kerrio: On a point of order, Mr. Speaker: I ask permission of the House to revert to statements. I have a very important statement.

Mr. Speaker: Order. I hope we can finish the last question.

USE OF LOTTERY FUNDS

Mr. Grande: I have a question of the Treasurer. It is in regard to Bill 38, An Act to amend the Ontario Lottery Corporation Act, otherwise known as a raid on earmarked funds. We understand the Treasurer does not intend to call Bill 38; however, he has not withdrawn the bill. Can he make a commitment today to the arts organizations, municipalities and recreational and sports organizations, which are extremely

upset with the bill, that he will withdraw this bill and rededicate his government to the support of growth in culture in Ontario?

Hon. Mr. Nixon: Like the member for Oakwood, I am totally dedicated to the growth and support of culture in Ontario. I did indicate to the New Democratic Party House leader that I did not intend to proceed with the bill at this time. I was interested that this was followed by a very strong statement from the budget critic of the NDP saying the NDP was unalterably opposed to the bill and would not vote for it. I thought there was a certain consistency in the way the party developed policy in this regard; that is, it knew at least that when the horse was lying down, it was all right to give it a kick.

Mr. Foulds: Only the rear end of the horse was lying down.

Hon. Mr. Nixon: That is a kick in the head.

Mr. Foulds: Boy, is he going to get kicked this afternoon. Stick around, friend.

Mr. Speaker: Order.

Hon. Mr. Nixon: I would like to say also that the legislation is not necessary if we continue to do what the previous administration did, that is, not to spend specifically for cultural matters the money that came from the two designated lotteries. There is still in the funds of the province a sort of nominal surplus with that designation.

My own view, and I expressed it in the budget, is that while this party and the government are totally committed to continuing and improving the financial support for culture and recreation, which the honourable minister indicated in his previous answer that we have done—even without the change in designation, we have spent far more in the past two years than the previous government did—we want also to have the freedom to use those funds for cancer hospitals and a wide range of other programs. I still feel it is the thing that should be done.

Mr. Speaker: Order. The time for oral questions has expired. I understand there is a request from the Minister of Energy and Minister of Natural Resources (Mr. Kerrio) to make a statement. Is it the wish of the House?

Mr. Harris: There are two things. I would like to know whether the Minister of Natural Resources or the Minister of Energy is making the statement.

Hon. Mr. Kerrio: The Minister of Natural Resources.

Mr. Speaker: The Minister of Natural Resources wishes to make a statement.

Mr. Harris: We would agree to revert if we could agree that the opposition parties would have two minutes each to respond.

Mr. Speaker: Is it agreed that the minister may make a statement with up to three minutes for the opposition?

Agreed to.

15:41

STATEMENTS BY THE MINISTRY AND RESPONSES

TARIFFS ON SOFTWOOD LUMBER

Hon. Mr. Kerrio: We do not have copies and it will be brief, but we will share any information we have on this important issue of the countervail, on which the decision has just come down.

I would like to report to the House that on the imposition of countervailing duties on Canadian softwood lumber, the US Department of Commerce has made a preliminary determination that there is a subsidy of 15 per cent on Canadian softwood lumber exports. They had requested some 37 per cent, and the number that has been handed down is 15 per cent.

Interjections.

Mr. Speaker: Order. The members requested time following the statement to respond.

Hon. Mr. Kerrio: The members could do it one at a time with some kind of order over there.

The fact is that some 37 per cent was requested and 15 per cent came down. It is subject to appeal, and we are prepared to share all the information with the critics or whoever in the parties is interested.

Interjections.

Hon. Mr. O'Neil: Quite a bit was done.

Mr. Bernier: Listening to the comment of the Minister of Industry, Trade and Technology (Mr. O'Neil), very little was done by this government to work against the 15 per cent tariff that has been applied today, and this government stands condemned for its effort in this regard. I say that very sincerely on behalf of all the sawmill operators in northern Ontario.

If 37 per cent had been applied, we would have lost about 3,000 or 4,000 jobs. With 15 per cent, I guarantee that 1,000 jobs are lost in northern Ontario as of today because of the government's inaction and indifference to this problem, which has been around for the past four months.

My colleague the member for Cochrane South (Mr. Pope) has indicated to the House that the government has done nothing about it. The government members are sitting there mum,

happy that it is not 37 per cent and that it is only 15 per cent. They are taking some joy in that. We in northern Ontario are not taking any joy at all, and the government stands condemned for its inaction.

Mr. Pope: This is a sad day for northerners. Many workers will lose their jobs in northern Ontario because of what this government did not do. Many families will be without wage earners because of what this government did not do. Many single-resource communities will be without their basic resource industry because of what this government failed to do.

As previous governments fought for Ontario's interests in Washington, alone and in concert with other provinces and in communication with the federal government, as previous Ontario governments have stood up for Ontario's unique interests as opposed to British Columbia's and Quebec's, as previous governments have recognized that Ontario does not subsidize its industries whereas the other provinces do, and as previous governments stood and fought down in Washington where it counted for the workers in the sawmill industry, the bush workers in community after community in northern Ontario, this government did nothing.

This government has not put a single laid-off resource worker back to work since it took office. It sat there and allowed unemployment to rise to 11.3 per cent. It sat there and saw unemployment rates in community after community in northern Ontario soar to 15, 16 and 17 per cent. It sat there and did nothing while the countervailing duty action was being heard in the United States. This government is a disgrace to all of northern Ontario, it is a disgrace to every single northerner and, by God, it will pay the price in the next couple of weeks for this.

Mr. Rae: The fundamental fact is that the Canadian government, together with the Ontario government—

Interjections.

Mr. Speaker: Order. Would the Minister of Agriculture and Food (Mr. Riddell) stop?

Interjections.

Mr. Speaker: All right. If you are finished, I will ask the Clerk to reset the clock.

Mr. Rae: The sad fact of this matter is that the Premier of British Columbia, the government of Canada and the government of Ontario all agreed on a strategy that most observers feel has been a disaster for the people of this country. By conceding the point that a 10 per cent solution would be acceptable to Canadians, the govern-

ment cut itself off at the knees when it came to making a real case in Washington.

It is a slap in the face to those in the Tory party and those in the Liberal Party who have joined together and argued in favour of a free trade strategy and free trade negotiations with the US. It makes a mockery of every serious observation with respect to our relationship to the US for this government to have joined with the federal Tory party in a strategy that says, "We will give you 10 per cent, anyway," and the minister stands up and says, "Fifteen per cent is not so bad."

Hon. Mr. Kerrio: I did not say that at all.

Mr. Rae: Yes, that is exactly what he said. He implied that Canadians should be grateful it is only 15 per cent. That kind of on-your-knees strategy is what got us into this position in the first place, and that is precisely why 15,000 jobs across Canada and thousands in the north are at risk, because of his callous and ineffective management of the economy and his ineptitude in the discussions with the US.

Mr. Wildman: The reaction to this issue by the members of this House, particularly those on that side, indicates their lack of understanding of the problems and needs of the north.

This is not a BC issue; it is a northern Ontario issue. There are 7,000 jobs in northern Ontario directly dependent on the sawmill industry, and this kind of decision will take thousands of those jobs and transfer them to the US. Many small sawmills in northern Ontario are selling 85 per cent of their product in the US. That will be curtailed severely by this kind of decision.

This government supported the federal government in saying to the Americans: "Yes, we do not charge enough. Yes, the American industry has an argument. Yes, there should be an increase in the tax on the Canadian product." This government is responsible, not the Americans. This government supported Pat Carney and the BC Premier in this sellout of the needs of the people of northern Ontario.

Mr. Speaker: Order. That completes the agreed time.

Mr. Pope: Are they going to do their damned job for Ontario workers?

Mr. Speaker: Order, the member for Cochrane South.

MEMBERS' ANNIVERSARIES

Hon. Mr. Nixon: Mr. Speaker, on something entirely different, since the House is not meeting tomorrow, may I bring to your attention that tomorrow marks the 19th anniversary of the

election of October 17, 1967, in which our good friends Ray Haggerty from Erie, Elie Martel from Sudbury East and you yourself were first elected.

All of us in this House agree that a very fine trio was selected democratically at that time and that they have proved themselves very well here during those years. We want to extend our congratulations to you.

Mr. Speaker: Thank you for your good wishes and I will say thank you on behalf of my colleagues who arrived here at the same time.

15:50

PETITIONS

SALE OF BEER AND WINE

Mr. Eves: I have two petitions that are the same from the employees of the A and P and Dominion stores in Parry Sound regarding beer and wine in Ontario grocery stores:

"We understand that the government of Ontario plans to introduce legislation to permit sale of some beers and wine in Ontario grocery stores.

"We, the undersigned, wish to express our objection to any legislation which would exclude us and our place of employment from the opportunity to sell our customers any products simply because we are not a so-called independent store.

"We believe we have earned the right to be respected for the way we do our work. We demand that, if legislation is passed permitting beer and wine to be sold in grocery stores, our grocery store be given the same permission."

Mr. Reyecraft: I have a petition addressed to the Honourable Lieutenant Governor and the Legislative Assembly of Ontario that reads as follows:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas the Liberal government of Ontario has expressed its intention to allow the sale of beer and wine in convenience stores, and whereas this accessibility may lead to a more widespread consumption of alcoholic beverages, which in turn may lead to an increase in the number of drinking drivers and an increase in the problems with young people, including lawlessness, destruction of property, robbery and recklessness;

"We, the undersigned members of Middlesex North District Women's Institutes, express our profound disapproval of such a step and urge the

government of Ontario not to bring in this Legislation."

The petition is signed by 87 members of the association.

CONGÉ FÉRIÉ OBLIGATOIRE

M. Morin: J'aimerais vous présenter une pétition signée par 160 personnes concernant l'observance du dimanche comme journée fériée obligatoire. Cette pétition m'a été remise par un citoyen de mon comté, l'abbé Gaétan Charest, pasteur de la paroisse St-Claude.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that the requirement for notice with respect to ballot item 19 be waived.

Motion agreed to.

Hon. Mr. Nixon: This was a special request from the member for High Park-Swansea (Mr. Shymko).

INTRODUCTION OF BILLS

TORONTO SKI CLUB ACT

Mr. Timbrell moved first reading of Bill Pr54, An Act to revive the Toronto Ski Club.

Motion agreed to.

LIQUOR LICENCE AMENDMENT ACT

Hon. Mr. Kwinter moved first reading of Bill 134, An Act to amend the Liquor Licence Act.

Mr. Speaker: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

LIQUOR CONTROL AMENDMENT ACT

Hon. Mr. Kwinter moved first reading of Bill 135, An Act to amend the Liquor Control Act.

Mr. Speaker: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Hon. Mr. Kwinter: I am pleased to introduce the first reading of two bills regarding the sale of beer and wine in independent retail food stores. Ontario has come of age, and it is time to broaden its method of liquor distribution to match its new maturity. I believe the members will find this

proposed legislation to be both timely and responsible.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Sterling moved first reading of Bill 136, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Mr. Sterling: This bill is one I introduced some time ago and I am introducing again. All it does is put into law the designation of each and every member of this Legislature. There is nothing within the Legislative Assembly Act to indicate that we are MPPs, MLAs or whatever. It is important for people to have our proper identity. Schoolchildren do not know whether to refer to us as MLAs, members of the Legislative Assembly or MPPs, members of the provincial parliament. This clarifies the issue.

CITY OF SCARBOROUGH ACT

Mr. Polsinelli moved first reading of Bill Pr52, An Act respecting the City of Scarborough.

Motion agreed to.

MAGNUM INTERNATIONAL PRODUCTIONS INC. ACT

Mr. Offer moved first reading of Bill Pr29, An Act to revive Magnum International Productions Inc.

Motion agreed to.

LONDON LIFE INSURANCE COMPANY ACT

Mr. Offer moved first reading of Bill Pr33, An Act respecting London Life Insurance Company.

Motion agreed to.

ORDERS OF THE DAY

SMALL BUSINESS DEVELOPMENT CORPORATIONS AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 24, An Act to amend the Small Business Development Corporations Act.

Mr. Speaker: I believe the member for Cochrane South was in full flight previously.

Mr. Pope: I know you have been waiting for this occasion, Mr. Speaker. I was either in full flight or about to be grounded, one or the other. I was talking about employment in the small business sector of northern Ontario.

16:00

I find it very ironic that we are debating small business development in northern Ontario, eastern Ontario and throughout the province on an afternoon when this government has conspired, with other governments in this country, to deny employment to thousands of small businessmen in the lumber industry across northern and eastern Ontario, on an afternoon when this government has seen its trade strategy in the United States in total disarray and defeat at the cost of thousands of jobs in an area of the province it obviously does not give a damn about, from what we have seen during the past 18 months.

I will be very brief. The Minister of Industry, Trade and Technology (Mr. O'Neil) is always wont to say, "We have done more in the last 18 months than the Conservatives did in 42 years." He cannot name a single laid-off resource worker he has put back to work, a single resource industry he has helped reopen or a single new initiative in any community in northern Ontario that will create jobs. However, as is his Premier (Mr. Peterson), he is great at optics, at news conferences, at getting his picture on the front of Toronto Life as leader of the red army. He is great at being father of the year in Cosmopolitan magazine or whatever the magazine was. When it comes to managing the economy of northern Ontario, there is no substance; there is no managerial ability.

Let us talk about the needs of the mining sector. When we were in office, we developed the core storage program at the request of the members of the Prospectors and Developers Association, which represents the small mines, to cut down ongoing costs, to provide a better information base for prospectors and to allow more mines to develop quicker at less expense.

We developed a custom gold mill program that allowed small-sized and medium-sized ore deposits to come into production and to generate income to carry on with the job-creation programs.

We developed the Ontario mineral exploration program, which gave to many prospectors, developers and small mining companies in northern Ontario the information to make investment decisions and to seek new economic activity in northern Ontario. It has been so successful that this government has recently reannounced those initiatives.

We developed the industrial mineral program, with grants and support for small industrial mineral companies in all parts of Ontario, to

diversify the mining industry and to allow the development of our industrial mineral potential in eastern and northern Ontario.

For the first time, we involved the mining industry, the prospectors and the developers in strategic land use planning and the development of parks programs. We brought them as never before into the discussion of the provisions of the Mining Act.

I challenge the Minister of Industry, Trade and Technology, as he walks out the door, to name one single new initiative for the mining industry in northern Ontario that he or his government has announced since it took office. All they have done is reannounce the initiatives we started. They have even reannounced the projects we put into place.

Let us turn to the forest products industry. We announced a comprehensive acceleration of the reforestation program in Ontario, because it created jobs and economic opportunities for the small business sector in all parts of northern Ontario. We even had some pilot projects to make sure it worked properly. We brought that on stream. We rapidly accelerated our financial commitment to reforestation through forest management agreements and direct contractual relationships with private tree nursery producers in all ridings of the north and individual small contractors who could do the road construction, the clearance and the treating of the cutover areas prior to the reforestation. We provided those kinds of incentives and programs.

With respect to the pulp and paper industry, faced with increasing world competition and a squeeze on product in world prices, we gave companies the tools to modernize their mills, to make sure they were competitive for decades to come. In so doing, we ensured the survival of many single-resource communities such as Iroquois Falls, Smooth Rock Falls, Kapuskasing, and many of the communities in northwestern Ontario such as Kenora.

Those were initiatives that we announced. Can members opposite name me one initiative this government has announced to help small business in the forest products industry in northern Ontario? They cannot name one. All they have done is reannounce our initiatives. The forest technology units that were announced with great fanfare in Thunder Bay were started four years ago. The first one was in Kapuskasing, the second in Timmins, the third in the Geraldton area, the fourth in Kenora, the fifth, which is already on stream, in Thunder Bay.

The Premier went up there with great fanfare to try to con the people of Thunder Bay into thinking this was a new initiative, a new announcement. What a bunch of hooley! There was nothing new in it at all. It was already scheduled. This government has not got one single initiative to help the small business sector, single-resource communities and the resource workers of northern Ontario. After 42 years in opposition, they have no idea how to create jobs in northern Ontario, no idea how to support the resource industries in northern Ontario and no idea about a comprehensive economic strategy for northern Ontario. They wonder why their representation is the way it is in the north, but they do not have a single new idea.

It is not an amendment to this act that is going to bring about support for the small business community in northern Ontario. It is this government doing more than the optics, more than the token gesture, more than the manipulation of staff after gutting ministries, more than that. It takes a real, substantive commitment to management in concert and co-operation with the small business community of northern Ontario. We have not seen that from this government. We have seen nothing of substance.

The Premier tried to make a joke about some gathering in Owen Sound last night. The Premier came to Timmins with a big fanfare. Everyone was invited to attend his announcement. At the end of the press conference one of the business figures in my community—I was not invited, of course—stood up and asked, “What are you doing for the people of Timmins, particularly in the light of the Kidd Creek layoffs?” One of the Liberal executive members there replied, “You do not expect us to do anything in a Conservative riding, do you?” That is the answer of this Liberal government.

They think they are going to get away with it in a minority government situation, but I have news for them. It is not going to happen. We want a positive commitment. What is the result of all the token gestures and press conferences and media hype in Timmins? The Liberal Party of Ontario and the local riding association sent to every single home in the riding an invitation to come and meet the member for Renfrew North (Mr. Conway) at a Liberal Party picnic at Cook’s Lake Lodge a week after the Conservative picnic. The food was free, the entertainment was free and everyone was welcome. They had 28 people come to their picnic.

Mr. Breagh: That is 28 more than showed up in Owen Sound.

Mr. Pope: The member for Oshawa will get his appointment eventually. He can relax. He will get his appointment from this government soon. He need not worry about it. We know he is in line.

Mr. Breaugh: That is more than I got from the previous government.

Mr. Pope: I know the member is in line. He need not worry.

It takes more than token gestures, press conferences and optics to develop support for this government and for the Liberal Party in northern Ontario. It takes some hard work, some new initiatives and some new thinking about the issues that confront northerners. Until this government does that, it cannot expect to have the support of the people of northern Ontario.

This bill in itself does not answer the needs of the small business community of northern Ontario. Much more has to be done. We have tried to provide suggestions to this government. I have tried for the past year and a half to give specific examples of where the Minister of Industry, Trade and Technology could move to develop new jobs and new industries in northern Ontario, and he has completely turned it off. He is not interested, but until this government shows some interest in the north, it cannot expect to have support from the north or from the northern members.

The Deputy Speaker: Any questions and comments? There being none, does any other honourable member wish to participate in the debate?

Mr. Gordon: For a moment there I was not sure. I thought perhaps a member of the New Democratic Party was going to get up and say a few words. If not, I will certainly carry on.

This afternoon I had the opportunity of asking the Minister of Industry, Trade and Technology about his plans for northern Ontario. I was very disappointed in the answer I received from him.

16:10

It is quite clear that the current Liberal government has not come up with an economic strategy for northern Ontario. As a matter of fact, the Premier chose to spend some time in the north this summer, particularly in the northwestern Ontario area.

Despite the fact he could see quite clearly that in the resource sector the number of jobs that are disappearing is creating real havoc with our economy in the north; despite the fact it is quite clear that our young people have virtually no future in the present circumstances, and that is

not even to begin to talk about the workers who are laid off and whose job opportunities in the north are virtually nonexistent; despite all those facts, he said, "I am not going to come up and tell you I can give you a quick fix to the problems in the north."

In that respect, he is being very frank. Where I have to differ with his approach is that he says: "It is up to you people to come up with some ideas of your own. We are not here to tell you how to run your community. We are not here to tell you what is good for you. What we would like to know is what you think should be done."

This afternoon I took a few minutes during question period to try to explain to the Minister of Industry, Trade and Technology that we are quite prepared to tell him what we need and what is required in the north. I am quite prepared to sit down with the Premier and explain to him, in a very friendly fashion, exactly what is required in the north.

Let us talk about what kind of workers we have in the north. Let us talk about some of the major centres. If one goes to Thunder Bay, the Sault, Sudbury or North Bay, one will find that the workers there are very productive in the industries in which they work, which are primarily resource industries. One will find that these workers are very skilled at what they do. One will find that these people, like so many people who work at other jobs within those types of work environments or those cities, are what we call the working people of Ontario.

They are as much the working people of Ontario as people who work in Windsor in an auto plant, people who work in Oshawa in a parts plant or people who work in another community in southern Ontario who might make the kinds of parts that go into the various industries we see in southern Ontario.

We have the same people, with the same skills, the same enterprise, the same desire to have a roof over their heads, to know there is going to be a cheque coming in at the end of every month, to know their children are going to be clothed and that they are not going to be on welfare or unemployment. They are the same people.

In the Golden Horseshoe today, one could say that in our economy, unemployment is at manageable levels. Given the kind of world we live in right now, with automation coming in, technological change and so forth, the Golden Horseshoe is doing very well. I would be the first to say I would like to see its unemployment rate come down even more.

But look at the north today. People are being laid off day after day. More and more workers are on unemployment and more and more people are ending up on welfare, not because they want to do so and not because they deserve to do so, but because this government has been in power now for what? Is it 16 months, going on 17 months? Whatever number of months it is now, this government has not yet come up with any kind of reasonable economic strategy for northern Ontario.

The only strategy it has at present is to go to Thunder Bay and Kenora, or the Sault and Sudbury, or Timmins and North Bay, or some of the small towns—Smooth Rock Falls and so forth—and say: “Yes, you have problems all right. I will tell you what, You tell us what you think is required, tell us what initiatives you want, and then maybe we can get together.”

Of course, they are being terribly cynical, because they have no intention of fulfilling that promise. They are going to come back and say: “Oh, you would like a parts plant in northern Ontario? We spoke to the people from southeast Asia. Of course, in Japan I told the Prime Minister: ‘Look, northern Ontario is where it is at. We want you to look at the north. We have all kinds of very productive people there who are not working right now, men and women, and we want you to go there.’”

I ask the Minister of Industry, Trade and Technology, where is the program in his ministry that is oriented towards where some of the new jobs are going to come from in Ontario? Today he admitted he does not have a program for the north. Does he have any grants? Has he set up a special task force in the Ministry of Industry, Trade and Technology that says: “We know we have a problem of unemployment and welfare in the north that has got completely out of hand. If we are ever going to develop the north, we will have to have a special key group within this ministry charged with going out, not only in Ontario but also worldwide, to try to move parts manufacturers and all kinds of businesses into the north.”

Has he done that? No, not on your life. He has not done that. That is where I have to differ with this government.

Interjection.

Mr. Martel: He might call me to order.

The Deputy Speaker: Order. That is quite right, member for Sudbury East (Mr. Martel). I am calling you back to order.

Mr. Breagh: But he is getting agitated.

The Deputy Speaker: You are disturbing the member for Sudbury, who has the floor.

Mr. Martel: You have got to be kidding.

The Deputy Speaker: The member for Oakville (Mr. O'Connor) was too?

Mr. Martel: It was the member for Oakville who provoked me.

The Deputy Speaker: Then I am calling you to order as well. The member for Sudbury.

Mr. Gordon: This government has not seen fit, despite the fact it has been in power the number of months it has, to come up with an overall, comprehensive plan for the north.

Just to give members an example of the kind of bungling that is going on with this government, last May the Minister of Correctional Services, the Solicitor General (Mr. Keyes), had some of his ministry people go up and hold a secret meeting with some people in Sudbury with the idea in mind of discussing whether they would have a correctional facility in Sudbury.

We know what happens when one holds a secret meeting. First of all, the press finds out about the meeting; it is secret. The municipally elected people are upset about it. The public is upset about it. They say: “What is there that is so special or so scary? What is it they do not want us to know about this prisoner treatment centre that is being proposed in the Sudbury region?”

It finally came to the point where the board of directors of the Sudbury Algoma Hospital turned down the treatment centre being right next to their hospital. They felt there was a place that was more suitable.

16:20

The Deputy Speaker: You are going to connect this with small business development corporations and Bill 24.

Mr. Gordon: I will be connecting this with the minor amendment that has been proposed in this bill.

The minister went up to Sudbury and said: “We are not going to force anything on the good people of Sudbury. If you can help us find a site for this treatment centre for prisoners, we can do business.” The city of Sudbury offered him a site in a good location for \$1, one that would not upset many people.

The ministry came back and said: “It is not flat land. We want flat land. We want it to be like the farming land we have in some other parts of Ontario. Besides that, we might have to blast”—imagine having to blast—“and after we blast, because of the nature of the site, it might have to be a two-storey building. When we build these

treatment centres for prisoners, we want them to be one-storey buildings; it is easier to watch people." No one ever told them there is such a thing as television. No one told them there is such a thing as videotape and cameras that can watch a one-storey, two-storey or 10-storey building. However, that is not the point. Imagine, they were going to have to blast some rock in the north. Really, have those fellows been north yet?

They rejected the site. They said, "It is going to cost more money." I am glad the Minister of Community and Social Services (Mr. Sweeney) is paying rapt attention to what I am saying. I know he has been to the north many times and has a keen interest. Where was I?

The Deputy Speaker: You were on Bill 24; SBDCs.

Mr. Gordon: I was talking about rocks, was I not?

Hon. Mr. Sweeney: I do not think any of my agencies are small business development corporations.

Mr. Gordon: That is right.

Mr. Polsinelli: The member should remember he is on prime time television.

Mr. Gordon: I realize that.

The whole point is that the regional council in Sudbury has been driven to distraction. It has been driven to the point where it recently passed a motion saying: "Put it anywhere you want. We will not object. You can put it next to a church if you want. You can put it next to an elementary school where there are kindergarten children. You can put it next to the marina on Lake Ramsey. You can put it anywhere you want. We need the 100 jobs."

That is how driven to distraction and how desperate the regional council is to see that there are jobs in Sudbury. The fact that a council would have to go to that point, would have to say that to any ministry of this province, is symptomatic of the desperation and unease that exist in the mind of every citizen from one end of northern Ontario to the other. That is how worried we are and how badly we want jobs.

Is it right that the Minister of Correctional Services should end up putting councillors in a position where they say: "We do not want to interfere with any decision you make; do not bother consulting with us"? It is horrible.

Last week in Sudbury, Falconbridge announced it would be laying off 275 workers. These are not low-paid workers; they are workers who make a good dollar. It is a real loss to the economy. Do members realize that this govern-

ment is diddling around with the community of Sudbury, implying that if we do not behave ourselves in Sudbury, we will never get that correctional facility? If we should for one minute suggest that it should be over there rather than where the government wants it, it will go some place else. That is the way this government is playing with northern Ontario, and it should be ashamed.

The Deputy Speaker: There being no questions or comments, I believe the member for Sudbury East is next. Does the member wish to participate in the debate?

Mr. Martel: That is what I am here for. It is 19 years today, and I forgot about it. I did not think I had been here that long. One has to be crazy to be here this long. Members might be able to tell by some of the disjointed remarks they are about to hear.

I was not going to speak, but I was provoked by my friend the member for Sudbury (Mr. Gordon), because having spent 19 years here, I know the Tories did not do a thing to develop northern Ontario. Now the Liberals are in the same rut. This government has no more of an idea about developing the north than the Tories had. Every last move it has made so far has been window-dressing.

Do not tell me about another conference. I heard the minister today talk about another conference. We need another conference like we need a hole in the head. There have been studies about northern Ontario. I could go and talk to those bureaucrats under the stage who could put out a series of studies on northern Ontario that would fill up that whole area back there.

When is the government going to learn that the north is never going to develop by total free enterprise? It will not. The north is good for extracting resources. That is why we have two companies, not in the resource field, with more than 200 jobs.

This government has not learned a thing yet. I have not gotten to the government yet. It does not understand.

If one were going to locate an industry related to nickel, one would have moved to Sudbury a long time ago on one's own. The government does not understand that. If a company were going to relocate to do something with copper, it would have gone to Texasgulf a long time ago. If it were going to put something related to steel in Sault Ste. Marie—as has been done in Hamilton, where at one time the relationship was 25,000 jobs in the steel industry and 24,000 jobs in manufacturing; the relationship in Sault Ste.

Marie in 1978 was 9,000 jobs producing steel and 250 jobs in the manufacturing sector.

If the government thinks the private sector is going to go there on its own hook, it is nuts. It is going to take crown corporations and consortiums of private and government funding. That is the direction the government has to look to. If it does not look to it, it will not do one thing differently from what the Tories did.

The government can introduce all these giveaways and the same thing will happen that happened in North Bay. Lee Canada went in, blew all the money it had and then got the hell out of town. It can do what our friends did who were producing mining equipment. What was that company in North Bay? It packed its bongo balls and moved down to Burlington. After it got its \$1 million or \$900,000 from the Ontario government, it picked up its marbles and moved somewhere else.

It is not going to happen on its own. Can we put that in the government's head? If we do not convince it of anything else, we have had 100 years of extraction of primary resources and it has all left the area. We have a couple of small companies—two, I think—with more than 200 employees. In fact, the Liberals sold the couple we had.

16:30

Regarding the Urban Transportation Development Corp., it is interesting that a committee was in Boston two or three years ago, with my colleague the House leader for the New Democratic Party and a number of the Liberals on it. Governor Dukakis said to us, "The finest equipment we have in our system comes from UTDC in Ontario." The Liberals gave it away. They could not wait to get rid of it. They were panting, because for years Eric Cunningham said, "You have to get rid of UTDC." They came to power, and what did they do? They sold it off. Where they had some control over jobs, they sold it.

The Liberals have not got a bit more brains than the Tories did. With respect to northern Ontario, so help me, the Liberals are worse. At least the Tories knew enough to keep UTDC in Thunder Bay and keep it active. The Liberals gave it away. They call conferences and talk about sending the Ministry of Northern Development and Mines to Sudbury. Whoop-de-do. It does not create a new job for the 14 per cent who are unemployed.

When I tried to get the government to reopen a prison, it followed the Tories. My friend the parliamentary assistant knows this. The Tories

closed Burwash, and the Liberals will not reopen it. They will continue to do what the Tories did: take all the prisoners from the north and expand two prisons in the south. They are beggars; there is something wrong with their heads when they have an opportunity to create jobs. For \$13 million, they could have created 225 jobs. Those kinds of job could not be started in the industrial sector for \$13.9 million.

Those people are so stupid, but they will expand two prisons in southern Ontario, where there is a rate of unemployment of six per cent. In Sudbury, where it is 14 per cent and the unemployed people are married men, 26 to 45 years of age, who own their homes and cannot give them away because there is nobody there to buy them, the government will not reopen the prison. The government is a disgrace. The Minister of Correctional Services wanted to reopen it. The deputy won the war. McDonald won the war, not the minister.

We met with the Premier, and I said, "David, this is crazy." He said to me, "Elie, you do not expect us, and you do not expect the auto industry, to locate a factory in Sudbury." That is what the Premier said, "You do not expect to get an auto industry or a parts plant in Sudbury." I said, "Be that as it may, will you at least create the 225 jobs, rather than bringing the prisoners to southern Ontario? It is only \$13.9 million; everything else is in place." The Premier said, in the long run, no.

They come with a little act. What is it going to do? Secondary industry has never located in the north; it locates down here. What is the game the government is playing? It is for free trade, but it is not for free trade.

I will tell my friends over there what we have to move to in the north. If they and some of their bureaucrats seriously want to help, they had better start to look at import replacement and at the government getting involved in that type of planning.

We should take the sulphur dioxide that is coming out of the stack at Inco and devastating the country—to the tune of at least \$400 million a year, according to a federal paper I saw some time ago; it is probably much more—take the phosphates deposits in the riding of Cochrane North, combine the two and produce fertilizer, because we are importing fertilizer into Ontario. We are too stupid to do that. We really are. We will import, we will have Inco devastate the area with sulphur dioxide, kill the trees, kill the fish, kill the animal life, kill everything, but we cannot get involved in a serious way.

It will not happen by itself. It could with the government acting as a catalyst, maybe taking an equity, trying to encourage people in the private sector to invest their money, letting the private sector run it, having people on the board of directors. But we will have none of that. We are going to have another conference. What are we going to talk about at the conference? How one contemplates one's navel?

There are all kinds of things. We in this country import more mining equipment than any other country in the world. As a mining country, we are the single largest importer of mining equipment in the world. We are the third largest producer of mineral wealth in the world, falling behind only the United States and the Soviet Union, and we import at least \$1 billion a year of mining equipment.

Imagine the jobs, if we wanted to use our heads. We could make that equipment rather than import it from little old Sweden, which has only nine million people, West Germany and the US. No, we will not get involved in that kind of planning. We will hold the phoniest types of forums; we will run them all. We will say what we are going to do, and any serious economic planning is out the window.

The government does not even know what economic planning means. We could get into the mining equipment field if we wanted to. Since we have platinum, nickel and steel, we could produce medical supplies, almost all of which we import. Forgetting that, if that is not good enough for the government, I am told we do not produce a diesel pump in this country. Farmers could use some of those. We import them all. We do not have the raw material to make it; or we do not have the brains or the will?

"We are in a free enterprise system." That is what I hear all the time. What does that mean? Free to do whatever the hell they want; to get more tax breaks, more exemptions, more grants, without any strings attached. We do not say to them: "Look, we have to have something in return, a quid pro quo. If we are going to put some money up, we want job guarantees; we want a certain location." How does West Germany get people to locate near the Soviet border? The government is involved, along with the private sector.

This government does not even want to talk in those terms. It is going to operate exactly as the Tories did, and it is going to be a prime target in the north, because it will not do a thing differently, not a single blessed thing.

We could talk about the import of stainless steel. Why can we not produce stainless steel cutlery in this country? My friends at Inco have to dump 100 million pounds of iron. Nobody in Ontario will use it because there is too much nickel in it. We dump it on the slag heaps. Imagine dumping 100 million pounds of iron on the slag heaps because there is too much nickel in it; then we import. There is one iron mine left in Ontario, and there were nine only four or five years ago. The one that is left, at Wawa, is wavering. Meanwhile, Inco throws 100 million pounds away because nobody in Ontario will use it since it has too much nickel in it. We might consider getting involved in stainless steel cutlery rather than importing so much from little places like Sweden.

This government is not going to change anything, because it will not think any differently from the Tories. They leave it up to free enterprise. They think they only have to have a wishing wand and wish that we had jobs in the north and in eastern Ontario—but it will not happen. All of these dinky little things are not going to make it happen. It is going to take positive, downright determined government policy to replace imports. That is the route we have to go.

16:40

The crunch is on with resources going into the United States from other countries. The competition is there. We do not have to look very far. We could start to manufacture the things we do not manufacture, for which we have the resources to manufacture with. It will not happen. We are going to let the free enterprise system do it on its own. It did not do it when there were resources in abundance. It did not do it then, it will not do it today and it will not do it tomorrow. The government can get all of these gobbledegook little policies but northern Ontario continues to be the most underdeveloped part of this province.

The young people are forced to move. I have three children in university and they will all end up working in Toronto or somewhere else. They will not get jobs in the north because there are none there.

This week Falconbridge laid off workers whose average experience was about 13 years. I wish those workers had received retirement plans like our friends Roderick Lewis and Kirk Foley. All they want is a job.

The robber barons come to the north and they play the game that Bill James of Falconbridge is playing. They reinvest in Norway so they can continue to refine in Norway, buy out Kidd

Creek for \$600 million, lay off a bunch of workers, buy with it a debt load of \$1.2 billion and cut out all of the development mining in Sudbury, which means they will not open up any new mines.

We play this checkers game with these robber barons with raw materials. I thought we saw the last of them in the US. I remember when I was in university we read all about the robber barons. It has not changed. They come in, they get their money and they get out. This government lets them do it, too.

I watched the Premier when he was in northwestern Ontario and he said to those communities, "Kids, you will have to make it on your own hook." He did not say that in Ingersoll. He put about \$100 million in there to put jobs in a place where the unemployment rate is probably six per cent, but he cannot find \$100 million for northern Ontario where the unemployment rate is 14 per cent. He cannot even find \$14 million to make 225 new jobs in Sudbury. Nothing.

They are going to be great targets in the next election. We will not even have to change the script. Members heard my friend from the Tory party say we are desperate for jobs. He gave his little story about them coming into Sudbury. The north is tired. They see superficiality. They cannot be conned any more. If the government thinks it is going to win them with a pleasant smile it is wrong, dead wrong.

With 14 per cent unemployment and nothing except window dressing, this government is not going anywhere. I have made this speech for so many years trying to get government to look at import replacement using the resources we have, through consortia of private and public money or crown corporations or anything.

I know what goes through their heads. They think: "Aha, socialism. We are free enterprisers." If they go to Great Britain, where there is the greatest of those Tories, they will find out that the government is into 50 per cent of the North Sea oil. We are so frightened, all we can ever do is give away. Why do not we plan for a change; not phoney conferences, but let me get some economists together and look at what we have in the north and say: "That is what we are going to do. If it takes all public moneys, by God we will do it." I hope we will get some private money, and we will let them run it for us, and we will have equity. But if they think they are going to do it under the private sector free enterprise concept, they are crazy.

I am afraid, as I have watched for the last 15 months, those people are not one jot different. I

heard the minister this afternoon tell us about all the things we got in the north. I want to know how he got \$100 million or thereabouts for Ingersoll, but just could not find \$14 million for a new prison. He will expand two prisons in the south.

I wonder why he can make a commitment of \$100 million in places where there is far less unemployment. In Sudbury, Timmins or Sault Ste. Marie when people are laid off it is not like here; they cannot go to the next town to get jobs, because the next town is 200 miles away. He could find \$100 million for Ingersoll, we can open up another one in Cambridge and we can open up something else in Alliston. I have no objection to that, but I object to his not being able to find money for meaningful programs in the north. They are not there and there is not a thing I have heard from this government that is one jot different from the Tories. The north will continue to languish despite those beggars because they have not got the courage to plan economically.

The Acting Speaker (Mr. Morin): Are there questions and comments?

Mr. Polsinelli: It is always a pleasure to listen to my animated friend the member for Sudbury East. For the past 20 minutes he has been talking about the problems of northern Ontario and his solutions to the problems and the previous inactivity of the past government with respect to those problems and his criticisms of our activity. Perhaps my friend can explain to this Legislature what his speech has to do with Bill 24, An Act to amend the Small Business Development Corporations Act.

Mr. McClellan: This member did not understand.

The Acting Speaker: Order. Are there any more questions and comments? If not, the member for Sudbury East.

Mr. Martel: Mr. Speaker, I thought you would never ask. What does this little hunk of junk do, this little act to amend the Small Business Development Corporations Act? Really, what is it going to do? We do not measure jobs in terms of one or two jobs. When we have 14 per cent unemployment, we need massive infusions of help and planning. I do not mean giveaway. That is the member's mentality; that is not mine. I say, "Give me \$100 million." Let the Treasurer (Mr. Nixon) say to me tomorrow: "Martel, like we did with Ingersoll, we will give you \$100 million. You go out there and see what you can open up." I would have fertilizer being produced within a year.

An hon. member: There is a lot of fertilizer over there.

Mr. Martel: There is fertilizer, but—

Mr. Breaugh: It is the wrong kind.

Mr. Martel: It is the wrong kind. I guarantee I would be producing fertilizer in a year. I would put some development in my friend's area and we would start to mine the phosphate. I would use the third piece of equipment that is sitting idle at Inco, the third piece of machinery for producing sulphuric acid, which sits there just in abeyance because there is too much sulphuric acid and that is why they do not produce more. They do not produce more and they dump it into the atmosphere. They dump it into the atmosphere because they cannot sell it.

I would start to produce more and I would build a plant somewhere between Sudbury and Cochrane North. I would bring the two together and we would produce fertilizer. We would have jobs in mining in that part of the world. We would have more jobs in what used to be the C-I-L plant and we would have a whole new industry producing fertilizer. Give me \$100 million, the same amount they gave to Ingersoll, not this dinky stuff. I think I would have enough left over—

The Acting Speaker: The member's time is up.

Mr. Martel: Has it already been 10 minutes?

The Acting Speaker: Two minutes.

Are there any other members who wish to speak on this bill?

16:50

Mr. Ashe: I will be very brief. Although there are many opportunities to criticize and chastise the inaction of the government members, that has been well done yesterday and again this afternoon, so I will return to Bill 24 and talk about it briefly.

An hon. member: Is that in order?

Mr. Ashe: Mr. Speaker, you better pay attention. I was asked whether it was in order to speak on the bill.

The Acting Speaker: I trust the member's judgement.

Mr. Ashe: Thank you. The thing that bothers me most about the bill is not the content, because much of it is housekeeping. Much of it is a step in the right direction regarding the process for appeals and the jurisdiction of the minister who oversees the legislation. In a sense, what concerns me most dovetails with the criticism that has been made by my colleagues in my party

and those to the left about the inaction, etc. of the government.

When it takes five months before a government calls the first budget bill to implement its budget, how serious can it really be? If my memory serves me correctly, the budget was brought down on May 13, 1986. We have had June 13, July 13, August 13, September 13 and October 13, and we have now gone a day or two beyond that. It has finally got around to moving the budget bills up the priority list, very slowly, very cautiously, with much inactivity to bring them to the top of the list.

Some would say: "It really does not matter. Some of the so-called initiatives in the budget do not come into effect until the calendar year of 1987." That is true, but when we look at the bill we are talking about, Bill 24, one notices section 12 of the bill: "This act comes into force on the day following the day it receives royal assent." Can the government be serious about anything in the budget when it has taken five months to call a bill such as this one? It is not exactly earth-shattering, that is for sure; but it has taken five months.

It bothers me, it bothers the constituents I represent and it should bother the nine million or more people in Ontario. We are getting grandstanding over there. We are getting great ribbon cutting and world tours. However, we are not getting anything done, because the government does not bring it on Orders and Notices to be dealt with.

Frankly, Mr. Speaker, that offends me. It offends my colleagues and it should offend you, because I know you are concerned about the people of Ontario and your constituents.

Getting to the bill itself and its background, which was the budget statement brought down by the same minister wearing a different hat, that of the Treasurer. At that time, he talked about the funding of the small business development corporations program, a highly successful program that was brought into being by the actions of the former Progressive Conservative government, not the inaction of this government. It cannot even update a piece of legislation. It takes five months before it even calls it.

The program that was identified in the budget this year was for \$30 million. It was split up, with an allocation of \$9 million to the northern and eastern Ontario fund and an allocation to the general fund of \$21 million, for a total of \$30 million.

When the Minister of Revenue, wearing that hat rather than the Treasurer's, finally rises—if he

appears some time along the line to address this bill before we take the final vote on it—I would like to hear a status report about what has happened to these moneys in the first five months. There have been five months in this—pardon me, half the year has gone by in a fiscal sense. I would like to hear the status report of the moneys that have flowed from this program up to the end of September.

I would also be interested, because leading up to this bill was an announcement that there was a broadening of the criteria for eligible corporate investments to include corporations primarily engaged in the provision of selected business services, such as computer services, architectural services and engineering services. Frankly, I hope this is a positive step. I am not quite sure. I think there are more opportunities to play games in service industries rather than in hard industries—manufacturing industries and so on. I would like to hear a report from the minister on whether anything has happened in this service area. In other words, have those new, expanded guidelines been implemented or not?

I would really like to hear from the minister in his own words why it took him five months to get these bills to the top of the list. Bill 24 is the first budget bill we are dealing with. We will be dealing with many others in the days ahead. Members are going to hear this at least each and every time I get on my feet, because I am disgusted at the inactivity, the lack of initiative and the lack of priorities of the members opposite.

Mr. Sheppard: I have a few comments that I want to direct to this bill. The small business community of Ontario was carefully nurtured under the former Progressive Conservative government of Ontario. Its rate of success, as demonstrated by the number of full-time and part-time jobs created in the sector, was encouraged by programs and initiatives undertaken by that government. Many businesses currently in existence would never have been created other than through incentives brought forward by that government. Entrepreneurial opportunities have been expanded and undertaken thanks to the previous government's initiatives.

On the other hand, this government in its most recent budget has frozen funding for this program at \$30 million while at the same time it has increased overall government expenditures by 7.8 per cent, and spending in the Cabinet Office and in the Office of the Premier has increased by more than 300 per cent.

We are all aware of the fact that small business is the most dynamic component of the private sector and creates most of Ontario's new jobs. Small and medium-sized businesses are the backbone of the Canadian economy, as they make up approximately 90 per cent of all businesses in Canada. Furthermore, small businesses in this province account for more than 25 per cent of sales in Ontario. From the personal perspective, small businesses owned by women have each created an average of 5.57 full-time or part-time jobs, while small businesses owned by students have each generated an average of two and a half jobs for other students.

These facts and figures say a lot, but what is loud and clear is that when small businesses succeed in Ontario, we all feel the benefits, whether through jobs created or otherwise. I appreciate the fact that the investment in new enterprise for northern and eastern Ontario will be drawn specifically out of the northern and eastern Ontario incentive fund as opposed to the general fund.

What I find absolutely amazing, however, is the fact that the Premier is telling communities that they cannot and should not expect the government to help them out and that they should be seeking their own solutions to their problems while he feels it appropriate to give his best buddy \$17.5 million for a pet project in downtown Toronto.

With little assistance and a remarkable track record, small business has achieved much for Ontario, which is evident in the number of jobs created. At a time when unemployment is still very high, especially in smaller communities, we as government representatives owe it to our constituencies to do what we can to promote and encourage the concept of survival of our small businesses.

17:00

The SBDC program helps create new businesses, new products, new exports and new jobs. It encourages the entrepreneurial spirit in our province. The SBDC program is there to share the risk and to provide services so that entrepreneurs can turn their good ideas into practical projects as well as help to expand businesses with high growth potential.

The economies of eastern, northern and rural communities are not experiencing the same level of prosperity as southern Ontario, and for that reason they should get more attention from the Liberal government. As I mentioned earlier, the unemployment situation is not improving. The only hope for these communities is to be develop

their own industrial and commercial base, and more assistance through the SBDC program would be a good place to start. To date, southern Ontario has reaped most of the rewards given by the government, but it is time for these other communities to begin receiving more attention. The Liberal government should show some leadership to help these economically disadvantaged areas by encouraging small business growth.

Further studies show that people under 30 years of age started more than 40 per cent of the new small businesses in 1985, not to mention the fact that they started about 85 per cent of all small businesses. Keeping youths in rural and northern areas is difficult, yet if they were encouraged and rewarded for starting successful small businesses, the loss to these communities would be minimal. These statistics underline the importance of the small business communities to Ontario's economy. Most important, they reflect the growing importance of self-employment and owner-managed businesses as an important reality in a changing society.

In the throne speech earlier this year, the Liberal government promised to co-ordinate and target efforts to accelerate growth and open up job opportunities for Ontarians. Furthermore, the government promised it would expand opportunities for small businesses and entrepreneurship. As I have stated before, small business is directly responsible for most of the new jobs created over the past decade. Let us see these promises fulfilled instead of hearing from the Premier that communities are on their own to solve their problems. Our communities need encouragement from the government.

It is vitally important that economic policies recognize and accommodate the realities of small and medium-sized businesses to support and facilitate the continuation of this very important sector.

The Minister of Industry, Trade and Technology is just coming in. The Liberal government is getting the credit for bringing three new auto companies into Ontario. Yesterday, the Premier said it was Frank Miller who, when he was Premier, went to China and Japan and brought these companies to Ontario. I would like to know why the Minister of Industry, Trade and Technology does not promote one of these car companies in eastern Ontario. We need the jobs in eastern Ontario. He let them go to western Ontario, but we need them.

Mr. Barlow: Let us not get carried away.

Mr. Sheppard: Yes, but even if we could get just one of these car companies in eastern Ontario—we need the jobs; I do not mind them going to my friend in Barrie and my friend in Cambridge—

Mr. Breaugh: A point of privilege, Mr. Speaker: The member may have missed it as he drives down Highway 401 on his way home, but I want him to take a look tonight on the right-hand side as he gets to Oshawa. He will find a car company there. I will not give him the name, but it is there.

The Acting Speaker: That is not a point of privilege.

Mr. Sheppard: The member does not live in eastern Ontario. He lives in south-central Ontario. I know the car plant he is talking about. I have a lot of friends who work in that car plant. I am grateful that car plant is in south-central Ontario. I am talking about eastern Ontario.

I think it is terrible. When he was in opposition he said, "When I get in government, I will bring jobs to eastern Ontario." How many jobs has he brought to eastern Ontario? I cannot tell you, Mr. Speaker, because I do not think there are very many. He says, "The next time." I am waiting for the future, because I know the Minister of Industry, Trade and Technology is going to bring some jobs to eastern Ontario, especially the Quinte area.

Mr. Breaugh: I want to have the member comment on one thing. He lives about 15 or 20 miles east of me.

Mr. Sheppard: No; something like 50 miles east.

Mr. Breaugh: I am luckier than I thought.

Mr. Sheppard: Am I ever lucky.

Mr. Taylor: I have listened attentively to all that has been said today, and part of yesterday, and I have been trying to determine the relevance of much of what has been said, as you have, Mr. Speaker. I think I have done so now, but initially I want to say that the bill is directionally correct. It is going to assist small business in some small way, and in so far as it does, I want to commit my support to the bill. I would like to make that abundantly plain at the outset.

I do have some concerns. My friend the member for Northumberland (Mr. Sheppard) might have been unduly critical of the member for Quinte, my good neighbour the Minister of Industry, Trade and Technology. He himself said not long ago that industry locates where it is most economic for industry to locate; therefore, when we look at industry coming into this country and

into this province, everyone in government surely is anxious to take credit for that location or relocation, but in the final analysis it is an economic determination by that company.

The encouragement is often there, and I do not want to detract in one way from the minister's role in encouraging industry in eastern Ontario or anywhere else in Ontario, but what concerns me is that we often get into a bidding war with other jurisdictions, other provinces and other countries over the location of industry in this province. That is very expensive to the taxpayers, and we have seen a lot of that. We have seen it in the automotive industry, and I question whether all of that is necessary.

Hundreds of millions of dollars have been poured out to subsidize foreign companies that are looking for locations on this continent, because North America is the biggest market for automobiles in the world. It is right here. If foreign investors want a back door to the US market, which is the single biggest market, then of course Canada provides that. Sometimes they do not need a back door; they go in by the front door. We have the auto pact, which is being worked at right now to facilitate this. I point this out because when one looks at big industry, which is being subsidized so heavily, one starts to wonder just what the cost benefit is to the people in terms of the generation of economic activity and job growth.

It has been said here many times during this debate that the small business community is providing the majority of new jobs in the Ontario economy and, as a matter of fact, in the Canadian economy. I think the Minister of Industry, Trade and Technology appreciates that. He has a small business sector in his ministry, and he has a small business advocate.

However, the biggest enemy of the small business advocate is government itself. That is what troubles me, because an advocate of small business must take on government. He cannot afford to be captured by big government. Around here, there are too many body-snatchers in the form of bureaucrats who absorb and smother people with new ideas. If one is going to be an advocate of small business, one has to look at the other government ministries and see how they are harming small business and what they are doing to frustrate small business.

17:10

If we look at the municipalities to start, in many ways they are counter-productive. There are municipalities that develop, promote and sell their industrial parks. They have some help in

that regard from the province and from the federal government. As a matter of fact, tomorrow afternoon there will be an official opening of a new industrial park in Napanee, which is in my riding. That industrial park was created without the assistance of government, either federal or provincial. The town was disappointed that no financial encouragement was given to it to develop a facility within that part of eastern Ontario, which is crying out for new job opportunities.

Where was government then? A lot of small businessmen are locating in that park, but where is the encouragement to those small businessmen? If one wants to obtain a big loan in the multimillion-dollar realm, there seem to be all kinds of government people who are anxious to assist. The small businessman has to prove he does not need the money before he can get it. There is that kind of frustration on the part of small business.

We have in the province what we call industrial strategies, which are not sufficient to satisfy my New Democratic friends. I am surprised that the member for Sudbury East did not again introduce his bill to nationalize Inco, which he would call Pinco, and presumably appoint himself president.

Nevertheless, government does claim it has an industrial strategy. If it has, why would there be municipalities that extract such large imposts from developers which are selling their land to industry and commerce to locate there to generate the jobs? If we look at the incidence of that impost, we will see it is passed along to the consumers, the same as in the housing market. We have a housing industry that is very vibrant right now.

I look at my friend from the Mississauga area, who is smiling somewhat. I think Mississauga has a new city hall.

Mrs. Marland: Of sorts.

Mr. Taylor: Of sorts. I do not agree with its architecture.

Mrs. Marland: Neither do I.

Mr. Taylor: I do not think it is Frank Lloyd Wright or anything like that.

Mrs. Marland: What were you going to say?

Mr. Taylor: I was going to say that the hall cost somewhere in the neighbourhood of \$60 million, as I understand, of which \$30 million was extracted from funds.

Mrs. Marland: No.

Mr. Taylor: Anyway, a lot of it was taken from—

Mrs. Marland: No.

Mr. Taylor: Was some of the money from imposts?

Mrs. Marland: No.

Mr. Taylor: No money from imposts? Shame. If we look at the imposts that municipalities extract from the building and development industry, which are passed on to young couples trying to buy their first home and factored into the mortgage, we will see what the cost is. And we wonder why the cost of housing is so high. A whole industry is being affected. We have the same type of imposts that are being imposed on industry, as I have mentioned before.

I apologize to my colleague the member for Mississauga South (Mrs. Marland) if none of that money has been siphoned off into the creation of that abortion. The member agrees with me in terms of—

Mrs. Marland: No, I do not. I know what Mississauga does.

Mr. Taylor: The member does?

Mr. Speaker: Order.

Mr. Taylor: Then my friend agrees with city hall. I do not like city hall, but that is not relevant in this legislation.

Mr. Speaker: I was beginning to wonder.

Mr. Taylor: Mr. Speaker, you have been very courteous and considerate in even putting up with this little bit of repartee on the side.

The point I am trying to make is that municipalities have to start to develop their own programs in terms of what is essential to stimulate economic development at the local level. I think that starts right with the zoning of industrial parks and with the different ministries of government.

We have a Minister of Agriculture and Food (Mr. Riddell) who is a delightful gentleman but so strident in terms of his agricultural policies and the foodland guidelines. I see my friends across the floor smiling at that and seemingly exuding some sort of agreement.

The purveyor of that policy comes out and examines the sites—it might be a little farm repair shop that wants to go into the agricultural zone in one of the rural communities I represent—and the minister says: “No, you cannot do that. That offends our policy of preservation of good agricultural land. Those farm implements cannot be serviced there.” At the same time, I say the Minister of Agriculture and Food must ensure that the farmers have a decent living. He must ensure the viability of their industry. It is one of the most important industries, if not the most

important, in this country. I put that to the government because I think it has to look at these things in a practical sense.

We are not talking only about the Ministry of Revenue in regard to this bill. We are talking about the Ministry of Industry, Trade and Technology as well as the Ministry of Transportation and Communications, because it has to approve entrances and exits if they are on provincial highways. For some obscure reason, I find they will not approve an entrance that would facilitate the development of a new industry.

As I mentioned, I find that the Ministry of Agriculture and Food with its rampant bureaucrats has some objection to the severance of a parcel of land or the utilization of a parcel of land for industry. One can go to one ministry after the other. One can go to the Ministry of Municipal Affairs and find the objections there on a planning basis. One can go into the Ministry of Natural Resources—and I see the Minister of Natural Resources (Mr. Kerrio) here—and one will find that it is important to preserve the wetlands somewhere. One cannot regrade one's lot. One runs into one obstacle after another.

Once one has one's land clear in terms of it being suitable for development, what does one find? One has to get a building permit. We have an Ontario Building Code, and we have people administering that building code in Ontario who do not understand it. As a matter of fact, it is a challenge to anyone's imagination to understand it. I challenge the members of this assembly to look at that tome, which is so weighty and so complicated. If one were to put it in the hands of an ordinary individual, a building inspector in many of the rural areas of Ontario, and expect him to enforce that section by section, one would get nothing done.

Then one has administered all the health regulations through the Ministry of the Environment in conjunction with the local health units and another battalion of inspectors. They have people who are not prepared to exercise any judgement and common sense. They are going by the book. They have Ontario Hydro and its new standards that seem to be becoming more difficult every day, imposing a fault-free system on our society. The biggest industry we have is the public service industry. It is the growth industry in this country and in this province. We are developing a bureaucracy in the civil service to such a degree that it is going to choke development if it is not doing so already. I have a real concern about that.

17:20

Of course, there is the legislation the government is putting in with respect to equal pay for work of equal value. I am not talking about equal pay for equal work. That has been in force in this province for a long time and it should be better enforced; we need it. I am talking about equal pay for work of equal value, which the Ontario Public Service Employees Union has estimated will cost the taxpayers of this province \$100 million but will serve only the civil servants. They will look after that and the civil service will grow even further.

We are good at creating more people to frustrate the little businessman who is trying to set up his own business. I can go into practically all the ministries of government that a little businessman has to come into contact with and look at the forms of the Ministry of Revenue or Ministry of Consumer and Commercial Relations in terms of the requirements of the Business Corporations Act. I look at all the licensing agencies and the battalion of inspectors. Anyone in Ontario who is brave enough to start his own business should be given a medal. He is indeed a man of enterprise, determination, perseverance, skill and stubbornness. He has to be.

Then he is the last one to get paid, because what do we have? We have the Ministry of Labour with all its standards. I am not knocking high standards and I am not knocking the need to pay someone a reasonable wage. However, the small businessman is being pressured from all sides, whether it is the minimum wage that forces up all wages, not just that of nonunionized help, or whether it is workers' compensation, which is becoming more and more punishing every day. I am not suggesting that injured workers should not be compensated if they are hurt. As a society, we have an obligation to look after persons who are victims of circumstance or misfortune. Nobody is insensitive in that regard, but when the government passes along social programs to particular segments of society, especially to the small business community, then it is punishing that community and this is counter-productive in terms of other things it is trying to do, such as Bill 24, which is supposedly an incentive to assist the growth of small business.

I point these things out because, as I said earlier, an advocate of small business in this government has to take on government. He has to deal with all these ministries, whether it is an increase in workers' compensation, whether it is dealing with the federal government in terms of unemployment insurance and what is happening

there and the burden on the small business community as well as the country, or whether it is a simplification of all the reporting procedures and forms that must be filled out.

The Minister of Natural Resources and Minister of Energy knows this. He has had experience in business. How can the little guy compete with big multinational corporations that have their own bureaucracy built in to confront the bureaucracy of government and to comply with the rules and regulations that come forward in complicated legislation in unintelligible language that must be adhered to? If it is not, then you have another investigator or an enforcer coming around, banging on your door and telling you what you have to do. You have so many people dunning you as a small businessman, and often you will not succeed as a small businessman unless you have your family working for you and with you for nothing. How are you going to survive in a province where government has reached the point where it is oppressive?

I put it to the members and supporters of the government that maybe government would do the little businessman the most good if it could just climb off his back, if it had sensible people who were empowered to use judgement and some sensitivity to look at the circumstances of each individual situation and to exercise that common sense. There has to be some potential for flexibility in working with the little businessman and the business community.

These are the areas we have to approach and take on if we are really going to help the little businessman. Again, in Bill 24 we are trying to stimulate the further development of small business, and I appreciate that. As I said, I support Bill 24. I am one of the few members who have got up and said that. But it is only a small thing and that is what troubles me so much. As I mentioned, it is the system, which everyone seems to have to survive, that is so harmful today.

I throw this challenge to government: Can we have one czar of small business who is really a strong man—and it has to be at the cabinet level; it has to be at the Premier's level—someone who is really interested in vetting all of this legislation, examining the regulations and seeing how things can be done to facilitate and encourage small business, to stimulate the ideas of imaginative people, the people who have developed little businesses in their backyards and in their basements and to help them get out and expand those businesses?

Some years ago the government was so anxious to help organizations such as Chrysler. We hear about the motor business, and these are the big boys, the international corporations that are strong and that are rationalizers. Rationalization simply means they are really in a state of laying people off, because in that rationalizing process you have a lessening of employment, not a growth in employment. Here government is, handing out hundreds of millions of dollars to the big corporations to assist them in their process of world rationalization.

I am not knocking the need to rationalize on a world basis with a single world market; I am not knocking that a bit. What I am saying is that if this government wants to spend money, I will take members down the main street of Picton, or Dundas Street in Napanee, or the main street of many small communities throughout Ontario and I will introduce them to some hardworking, honest-to-God solid folks who put in a very long day, often seven days a week, who put all their investment in, who are just doing everything they can to survive in a complicated political and economic system, the type of system I have already described, and who need a little bit of help in a financial sense in terms of working capital but cannot get it because the banks do not want to deal with them. The banks are anxious to lend to Mexico, Poland or some other country and to maintain an unreasonable spread between the interest they give on their deposits and what they charge when it comes out. We consumers are paying for that.

17:30

They are building up accounts to cover bad debts, which, in my view, is stimulating excessive service charges. As consumers, we are being victimized by the financial community. The little businessman is not being helped. Where is the government in all this? It is handing it out to the big boys. I do not think the big boys need it.

If the government wants to do something, it can take its money and take the hand of any member of this assembly. He or she will take them into those little communities and show them where the money will do the most good and where it will stimulate real jobs, not jobs created through the implementation of more government legislation and regulation and not jobs that are simply an extension of a civil service that is overgrown now.

I say this to the government in a spirit of helpfulness, not in a negatively critical way. We know what the process of government is. The

right of government is to govern. Its mandate is to govern and so it should. The opposition opposes, and so it should, but I think that opposition should be constructive as well. I try to be that, but in my experience it is important to have people who are sensitive to the real needs of the small business community. Those people should have a voice that is heard. It should be loud and clear and I think the government should act on that voice, which has the interest of the generator of jobs at heart. Again, the generator of jobs in this country is the small businessman with the opportunity to grow.

I want to thank you, Mr. Speaker, for your perseverance in giving me leeway. I have covered the waterfront and a number of ministries. It is a big picture that we need. We need someone who can see that picture and zero in on where the bottlenecks are and who has the power and the authority to move to extricate the little man, the small business person who is trying to get ahead.

The government should be supportive of that, not negative. I urge it to transfer some of its attention and funding from the big foreign and domestic multinational corporations to the small business sector and to assist it. That is the kind of investment we have to make. With that, I repeat that I will be happy to support Bill 24.

Mr. Breugh: I was home in Napanee on the weekend and I read with some sadness in the Kingston Whig-Standard that the member for Prince Edward-Lennox (Mr. Taylor) is not going to run again. It saddened me, because he has been a member here for some time. He described himself in the article as a bad guy. Within the previous government it was all divided into good guys and bad guys, and he was declared to be a bad guy and was outlawed. That too saddened me.

I was surprised this afternoon to hear him use the word "czar." When the member talks about czars, it usually has a wholly different context. He has rarely been caught in here calling for anyone to create a czar of anything. I was surprised too to hear him speak against corporate socialism. I should not have been, I suppose; he has spoken against every other kind of socialism in the world, but it was refreshing to hear him speak out against the corporate world.

There seems to be a trend now among the Tories, an attack on big business. This is about the third or fourth time this week I have heard a Tory member get up and rail against General Motors and George Peapples or some other large corporation. I want them to respond to that. The

Tories need to clarify whether they are against all kinds of big business now, because they seem to have established a regular pattern of attack here.

I close by saying that I am truly sorry he will not be a member here after the next election, of his own volition. I hardly ever agree with anything the member for Prince Edward-Lennox says, but I do grant him this: He is one of the few real Tories left in the Tory ranks anywhere. I cannot speak as a witness here, but I will bet he is not a Tory who wears a blue suit and pink shorts. I do not want to find out the real truth of that. I would rather leave that as an ideological statement. I believe this guy is blue all the way through.

Mr. Speaker: Are there any other comments or questions? If not, the member has up to two minutes to respond.

Mr. Taylor: I will take that opportunity, Mr. Speaker, and thank my—

Mr. Speaker: Within reason.

Mr. Taylor: I want to thank the socialist horde to my left. I did use the word “czar”; that is right. It is symbolic in the sense of authority. It may be the only type of authority the member appreciates, but I think he has a better appreciation of the message I was trying to convey.

I certainly appreciate his kindness, and he is right. I certainly do have what we would call traditional Tory principles. I do not wear pink shorts; I am true blue. I do not apologize for that. I believe in the marketplace—

Hon. Mr. Kerrio: The member does not have to show us his shorts.

Mr. Taylor: I am not going to undress here to satisfy the minister on that, but I do believe in the marketplace and in free enterprise in so far as we can have free enterprise.

I appreciate very much the political and economic theory of my friends to the left. At least I understand it. I do not agree with it, but I understand it.

I have been here for 15 years. I have not heard any relevant remarks from the gentleman to my left and I did not expect to hear any today, so I am not going to give credits even to the compliments.

Mr. Epp: I am pleased to be able to respond on behalf of the Treasurer and Minister of Revenue (Mr. Nixon) with respect to Bill 24. I thank all honourable members who have participated in this debate; I think there were 14 in total. Most of those comments were fairly positive, particularly with respect to the programs, al-

though some of them felt the program was not going far enough.

I will also address a matter that a few members have raised, and that is the alleged lateness of this bill in coming to the Legislature. As members recognize, this Legislature was very busy with other business last spring when, after the budget was introduced, there were a number of budget days. In addition, as members know, there was a very great deal of discussion on Bill 94. For those who do not remember that bill, it dealt with extra billing.

The Legislature was busy and went a number of weeks into July, something it has not always done. Coming back immediately after Thanksgiving Day, we felt it was important to deal with these bills as quickly as possible.

Another point one member made—I forget who it was right now; I believe it was the member for Durham West (Mr. Ashe)—was that these bills really do not take effect until the new year in most cases, so there was not the same urgency that would have been associated with them had they taken effect immediately.

17:40

Before trying to address these matters in order of the members who got up and spoke to the matter, and getting into the more serious bit of discussion on the various matters that have been raised, I will mention for the benefit of the member for Prince Edward-Lennox that he has been accused of being true blue all the way through. I suggest that maybe he should speak to Mr. Stanfield. Maybe he can give him a set of underwear that would also be blue. That would probably enhance his complexion a little.

The member for Cambridge (Mr. Barlow) mentioned a number of points with respect to Bill 24. He made reference to his question 312 in Orders and Notices regarding the small business development corporations. I believe the question was answered back on July 11. If that is not the case, I hope he will get in touch with me. However, it is my information that it was responded to on July 11. We will be glad to follow up on that if the member wishes.

He also expressed concern with respect to a breakdown of the SBDCs investment by region between October 24, 1985, and May 13, 1986. I understood this information had already been conveyed to the member, but if it has not been provided, I will undertake to get it for him. For his interim use I can provide him with a full set of statistics for the month of September 1986, broken down by region and so marked for his consumption. I have that if he wishes to have it.

With respect to comments made by the member for Mississauga East (Mr. Gregory), he expressed doubt about the number of changes made recently to a program that has demonstrated it works well. It has worked extremely well since its inception back in April 1979. A number of the changes implemented reflect the recommendations contained in a report by Clarkson Gordon, otherwise known as the Farlinger report, and were therefore necessary to the program's continuing development and success.

With respect to the reduction in the grant rate to 25 per cent, this was generally intended to increase the base of the program participation and to ensure a greater overall impact for the taxpayers' dollar. The maintenance of the incentive rate of that program at 30 per cent for the northern and eastern parts of this province recognizes the additional risk that investors take in those areas and the corresponding need for the government to provide some additional encouragement in these areas.

In answer to the member for Cornwall (Mr. Guindon), who expressed a concern that SBDC participation is denied to a small business where the corporation has received other assistance from the federal or provincial governments, this is not correct, except in the case of involvement with the former scientific research tax credit program. This was necessary to prevent abuse of the SBDC program, since to permit involvement in both programs would be to allow the investor to stack credits, thereby reducing the risk he was taking. He will have to share the same amount of risk as other people in the province will have to take.

Another concern expressed was the belief that the small businessman is left to his own devices to deal with government red tape. I suggest this is not the case. The SBDC program offers a matching service to address exactly this point. It attempts to match up potential investors with eligible small businesses. In addition, legislation specialists provide continuing help to small businessmen to structure their investment proposals in a manner consistent with the requirements of the legislation. To supplement these activities, the SBDC staff conducts a full schedule of demonstrations and promotional sessions across Ontario, with particular emphasis in northern Ontario.

The member for Leeds (Mr. Runciman) expressed a concern and wanted to know how eastern Ontario was defined. The member will be able to find a complete geographic description of

the affected areas, by county, in regulation 915, section 19.

Mr. Wildman: It would be easier to speak to the member for Lanark (Mr. Wiseman).

Mr. Epp: Or speak to the member for Lanark. I am sorry I did not think of that first.

I want to draw the member's attention to this booklet that most of the members have seen called Small Business Development Corporations, Small Business Success, put out by the Ministry of Revenue. It has a nice, bright colour on it. On the inside of the back cover is a map of northern and eastern Ontario, the sections that are covered by the extra five per cent incentive of the program itself.

He also expressed some reservation with respect to the SBDC program that does not address the concerns of the auto industry and spinoff corporations of the auto industry. In fact, many of the corporations active in the auto industry already qualify as manufacturers and processors. However, amendments to the regulations in process will also expand eligibility to include near manufacturers such as foundries, bumper chroming operations, mills and others. These regulatory amendments will be filed momentarily.

The eloquent member for Brantford (Mr. Gillies) quoted figures relative to the program involvement to date and requested an update. As of September 30, 1986, \$342 million had been channelled into 792 small businesses. That is a considerable number of businesses that have taken advantage of the program. These, in turn, have employed a lot of people and have had an important impact on the economy of this province; a very positive impact, I suggest.

Mr. Wildman: Why is the member reading this?

Mr. Epp: I am just suggesting that these members have expressed important concerns and I want to respond to these various questions. The member for Stormont, Dundas and Glengarry (Mr. Villeneuve) expressed the concern that the bill represented an attempt by bureaucrats to nitpick to death the SBDC program. The member for Prince Edward-Lennox also mentioned that point.

I want to draw to the members' attention the fact that this is denied in the Clarkson Gordon, or Farlinger, report where great praise is expressed for the manner in which the program has been administered to date. I want to underline that comment because of the fact that members do express concern from time to time and they should be assured that the ministry is doing

everything possible to service this program as best it can. In fact, it has been complimented by the member for Durham West, the former Minister of Revenue, and by other ministers who have administered and been in charge of that program.

In addition, it seems to speak well for the program. As I indicated, 792 small businesses have been created and almost 900 SBDCs have sought to take advantage of the program to date. Investment through the program, as indicated over the seven-year period, is more than \$342 million.

In summary, if the program had fallen victim to nitpicking bureaucrats, it would not be around to serve the taxpayer today, let alone serve all these various businesses it is serving. We expect it will be around for some time to serve additional businesses and the people of the province.

That addresses fairly well the comments made by the honourable members. I again want to thank them for their positive input.

Motion agreed to.

Bill ordered for third reading.

17:50

RETAIL SALES TAX AMENDMENT ACT

Mr. Epp moved, on behalf of Hon. Mr. Nixon, second reading of Bill 26, An Act to amend the Retail Sales Tax Act.

Mr. Epp: This bill implements the proposals contained in the budget of May 13, 1986, as well as some administrative amendments.

The exemption level for prepared food products will be increased from \$1 to \$2 effective 30 days following royal assent to the bill. The exemption from the seven per cent tax will be withdrawn on certain transportation vehicles and equipment—namely, heavy trucks and trailers—effective January 1, 1987. The bill provides that ceilings will be placed on rebates of sales tax on motor vehicle conversions and the exemption for fuel conversion kits for vehicles will be replaced by a rebate program effective 30 days following royal assent. The rebate available to farmers with respect to material used in construction of grain storage bins and grain dryers and to universities purchasing research equipment will be replaced by an exemption from tax in order to improve the cash flow of farmers and universities.

The bill proposes the elimination of certain abuses pertaining to the exemptions from tax on prices of admission. To better target the exemption for prices of admission, I will be moving an amendment to Bill 26 in committee of the whole

House. Specifically, the 90 per cent Canadian talent criterion will apply to live theatrical or musical performances only, as originally intended, and not to professional sporting events.

The bill also includes amendments providing for other administrative housekeeping changes.

Mr. Ashe: The first thing I would like to do is correct the record. The member for Waterloo North (Mr. Epp) attributed to me something that I really did not say on the previous bill, and that was that most everything came into effect on January 1, 1987. That is to say, the implications from the budget bill came into effect January 1, 1987. That is not quite what I said. I indicated there were quite a number of parts of the various budget bills that did not become operative until 1987, but there were many, including the small business development corporations bill which we dealt with, that came into effect following royal assent.

Once again, now we are on Bill 26, An Act to amend the Retail Sales Tax Act, I have the same criticism except, I think, even more damning than on the previous bill, relative to this government that waits five months. Back in April 1985 they were running up and down the streets, the now Premier (Mr. Peterson) was pounding his chest and many of the candidates on behalf of the government party as it sits today were tramping the streets and telling everybody about the great changes they would make just about immediately if they came to power. Of course, they did not expect they would have to assume that onerous task, but lo and behold—thanks to the members on our left, of course—that came to be in late June of last year.

Mr. Epp: Thanks to the people of Ontario.

Mr. Ashe: Not the people of Ontario. The people of Ontario voted for fewer of you fellows than over here. Just do not forget that. It was 48—

The Acting Speaker (Mr. Morin): Order.

Mr. Ashe: —and you still have fewer than we do.

Hon. Mr. Kerrio: They were voting quality and not quantity.

Mr. Ashe: Obviously they made a lot of mistakes. I would note to the member from Niagara Falls (Mr. Kerrio) that when it came to quality they sure ran out pretty fast over there.

Back to Bill 26: Again, on the criticism of the inactivity and the gross monstrosity that the government put on us by waiting in excess of five months to put into effect—in the space program they talked about a giant step; this was not even a mini-step when one looks at the first major

exemption referred to by the member for Waterloo North (Mr. Epp), the minister's parliamentary assistant, an exemption on fast-food products, raising the threshold exemption from \$1 to \$2.

That means you do not have to buy your coffee separately from your doughnut. You now can have your coffee and doughnut at the same time. That is not what bothers me. It is that they ran up and down the highways of Ontario saying, "If we become the government we will put into effect virtually overnight"—not recognizing the process—"a limit of at least \$4." Lo and behold, on May 13, 1986—

Hon. Mr. Sweeney: That was before we saw the real set of books.

Mr. Ward: That was before we inherited the huge deficit.

Mr. Ashe: They inherited an economy that should have given us very close to a balanced budget this year, not what we got.

Hon. Mr. Sweeney: It has been so long since he has seen a balanced budget he does not know what it looks like.

The Acting Speaker: Order. You have two minutes after this gentleman has terminated his speech to voice your questions and comments.

Mr. Ashe: Did we see in the first budget of the Treasurer (Mr. Nixon) any movement to that \$4? No, I do not think we did. If we did, I missed it. On May 13, 1986, we saw the giant step forward—the mini-shuffle we should call it—from \$1 to \$2. There were great expectations out there. The next day people thought they could get their coffee and their doughnut without paying taxes. Did that happen? No. The legislation before us says, "Thirty days after royal assent."

I can appreciate the 30 days because a lot of cash registers have to be changed. McDonald's is pulling its hair out, looking forward with great delight to changing all its computers for that grandiose change from \$1 to \$2. You will be able to buy a Big Mac for \$2 as long as you do not want anything with it; do not get anything with it because you are out of business. The coffee and doughnut across the street will be all right.

Did we get it on May 14 or did we get it on June 14, one month after the budget? No, we did not. At the very earliest, we now are looking at better than six months past the budget for the great increase from \$1 to \$2. It is time for an opportunity for the private sector to come in and voice its views on that grandiose misadventure called the \$4 promise and the \$1 nudge.

We have some other changes that are rather significant. The parliamentary assistant indicated there was going to be an amendment clarifying the section relating to entertainment exemptions and what have you. I am glad to hear that, because there is a lot of confusion. There still is a lot of confusion even after what he says. We need an opportunity for the private sector to come in front of a standing committee of this Legislature to express its views on this amendment, to express its displeasure at the inaction of the government in putting forward its promises.

I find one other thing rather confusing; I am talking about the trucking industry. I appreciate this was something that was not planned to come into effect until deliveries taken after the end of this calendar year. The removal of the seven per cent exemption on larger trucks, tractor-trailers, etc., is significant for many communities in this province. It is going to be a damning situation for many small truckers. They are small in size; they have to operate large trucks, but they are relatively small companies. Again, they should have the opportunity to come in front of a committee of this Legislature and express their views in a very forceful manner.

18:00

If there is one other thing, besides the usual housekeeping changes and so on that are in this bill—these are always necessary and help to properly administer any act, including the Retail Sales Tax Act—it is the confusion. We seem to be changing from exemptions to rebates, and yet in other cases we are going from rebates to exemptions. I find that a little unsettling. I wish we could make up our minds about which way we want to go. When we are talking about alternative-fuel vehicles, we are going from exemptions to rebates, and yet when we are talking about rebates for farmers, universities, etc., we are going from rebates to tax exemptions. Why do we not go all one way or the other and get some consistency?

There are many other amendments in the bill which are very appropriate, such as exemptions from sales tax for books to include labour and repairs and the clarification that if one is buying a service contract, one is paying sales tax up front and would not pay it upon delivery of any service. However, there are some major changes with implications that are very unclear out there in the entertainment industry, service clubs and organizations. That may have been clarified with the suggested amendment. I have had calls, for example, from the people who operate the Canadian Open to ask, "Are we going to have to

pay tax?" Obviously, 90 per cent of the participants in the Canadian Open are not Canadian. I can attest to that; very few are. Many organizations are very unclear and have very strong views they would like to put forward.

This party will be supporting this bill on second reading, but we suggest it is in order and very appropriate for a standing committee of this Legislature to have this bill put before it to hear representations on many of these important issues by members of the taxpaying public who are going to be impacted by some of these changes.

Mr. Foulds: We will not be voting against this bill on second reading; so the parliamentary assistant can rest easy for the rest of the afternoon.

Perhaps more clearly than any other, this bill indicates how difficult it is to keep to the parliamentary tradition of speaking to the principle of the bill on second reading. This bill has eight stated purposes in the explanatory notes, some of which are contradictory in terms of the principle involved. Basically, it is a grab-bag bill that simply makes a wide range of amendments to the Retail Sales Tax Act.

First, it takes the step, one year at a time, of raising the exemption on prepared foods to \$2 from \$1. It saves the Treasurer from the embarrassment of this measure in his previous bill. It has not yet achieved the \$4 exemption level promised in the Liberal campaign of 18 months ago. Therefore, I assume we will have that promise recycled before the next budget.

I find myself in very strange company indeed, having for the first time in some 15 years to agree with the previous speaker. In one clause of the bill and in the explanatory note it says it improves the cash flow to farmers and universities by granting a tax exemption to them on certain equipment, instead of giving a rebate, and yet the very next section uses the other process. It gives a rebate instead of a tax exemption to the purchaser of an alternative-energy vehicle. I have some concerns about that.

In the section where the government gives a rebate to the purchaser of an alternative-energy vehicle, two things are happening. One is that the individual particularly, as opposed to the fleet purchaser, has to put the money up front on the purchase of the vehicle because he will be paying sales tax and the rebate is taxed.

The government is trying to pretend it is still in favour of alternative-energy vehicles. It is trying to pretend it is encouraging their purchase, but it is making it financially more difficult for the

purchaser in two ways. First, he or she has to put the money up front at the beginning. Second, with the increase in cost of motor vehicles, the rebate will not recover the extra cost a person has to pay for an alternative-energy vehicle.

I believe the rebate is capped at \$750 and \$1,000. The figures I have show that the cost will be about \$1,000 and \$1,250 to \$1,400. As the price of vehicles escalates over the years, they will have to lay out more and more of their own cash. I would certainly like that clarified when we get to the clause-by-clause stage of the debate.

In the next section, the government is closing an exemption that has been previously granted. It was not quite clear whether the previous exemption on trucks and tractor-trailers was a temporary measure as a result of the downturn in the economy in the early 1980s. That will certainly be the argument the Treasury puts forward at this time, that with the boom in the economy it is no longer necessary.

There may be validity to that argument. However, I point out that a number of these vehicles will be used and purchased particularly by relatively small companies or independent operators in northern Ontario, where the economy is not booming, as we heard today and will hear again and again.

It will be interesting to see the breakdown in figures of who actually purchases and the breakdown in purchasing vis-à-vis the relatively small, independent owner-operator versus the large fleet or company. I am surprised the Ministry of Revenue does not appear to have those figures. With the statistical information and computer programs available to the government, I would have thought that kind of thing would be available.

It is a hotchpotch bill. There is nothing at this stage that requires us to vote against the bill. We will be looking very closely at the clause-by-clause debate. I understand the other opposition party wants some limited hearings outside the Legislature to hear the views of people on these sections. We have no great objection to that. It is always good to get the democratic views of people in the province. For all those reasons, we will keep a watching brief on this bill.

18:10

Mr. Gillies: I am pleased to join this debate on Bill 26. As was indicated earlier by my colleague the member for Durham West (Mr. Ashe), we will be voting for the bill on second reading and in principle, although we have some specific

concerns with it, which I would like to address in the next number of minutes.

With that in mind, it is our intention to see the bill go out to committee after second reading. We hope that committee will entertain some briefs and submissions from the general public and interested parties, both here at the Legislature and elsewhere from place to place in the province. I was very pleased to hear my friend the member for Port Arthur (Mr. Foulds) indicate that the New Democratic Party is in support of that process. I will convey his thoughts back to my House leader. We would not anticipate that being a particularly lengthy process, but none the less it is one that we think could be important and of benefit.

Mr. Foulds: I have already conveyed that to your House leader.

Mr. Gillies: The member has probably already made the deal, but let us get it on the record.

Mr. Foulds: Within the past 24 hours. I think your House leader knows where I stand on this question.

Mr. Gillies: It seems we are all of a mind; so why do we not call it a day? No. There are a couple of points I would like to make with regard to Bill 26.

These are changes of course to the Retail Sales Tax Act. I understand the changes will result in a loss of revenue, surprisingly enough. It is not often that Treasurers change legislation to remove willingly tax revenues that were available to them in the past. However, I understand that initially, in 1986-87, we will see a loss of revenue of approximately \$14 million, but that trend will be reversed in 1987-88 to a gain of about \$35 million. In the end, the provincial coffers are the winner on this one.

The various exemptions and changes contained in the bill are, as has been said earlier, a bit of a mishmash, with a bit of everything in this one, but I cannot let the prepared-food exemption go by without a couple of thoughts. I am looking at my friend the parliamentary assistant, who knows I am not prone to be particularly partisan in these matters, either here or in committee. I always try to work in a co-operative manner with my colleagues from all parties in the House, but I cannot let the opportunity go by when we see the government increasing the exemption from sales tax on prepared foods to \$2 from \$1.

Hon. Mr. Sweeney: That is a 100 per cent increase.

Mr. Gillies: My friend the Minister of Community and Social Services says that is a 100 per cent increase, but of course this is well short of the campaign promise by the Liberal Party to raise the prepared-food exemption to \$4.

Hon. Mr. Sweeney: We are getting there.

Hon. Mr. Kerrio: We will get there next spring.

Mr. Gillies: I hear a chorus. I have excited my friends opposite. I can hear the chorus now. I can always put the players in place here. The Minister of Industry, Trade and Technology (Mr. O'Neil) would say, "You had 42 years to increase that exemption." But he is not here to say that; so I said it for him. My friend the member for Essex South (Mr. Mancini) is probably yelling over, "It is a federal matter." Is that what the member is saying? No.

Mr. Mancini: I have not said anything.

Hon. Mr. Sweeney: All we said was we were getting there.

Mr. Gillies: They said they were getting there, but my gosh, it worries me because I so desperately want to believe every word my friends in the Liberal Party tell me.

Mr. Foulds: That in itself is not a credible statement.

Mr. Epp: I have no problem with it.

Mr. Gillies: Time and again I am disappointed and let down by the Liberals' inability to keep their campaign promises.

Hon. Mr. Sweeney: Such as separate schools, extra billing, the environmental legislation, the housing legislation.

Mr. Gillies: While I will stick stringently to the contents of this bill, I see time and again this government backsliding on its various election promises, whether it is the—

Interjections.

The Acting Speaker: Order.

Mr. Gillies: My gosh. You can hardly hear yourself think in here, Mr. Speaker.

Mr. Philip: The member is hardly in a position to talk about separate schools, considering the number of positions the Liberal Party has had on separate schools.

Hon. Mr. Sweeney: It is passed.

The Acting Speaker: Order.

Mr. Gillies: Thank you, Mr. Speaker. That was such a good interjection by my friend the member for Etobicoke (Mr. Philip) that I did not want to interrupt him.

The point is that the Liberal Party said it was going to raise the exemption to \$4, which would have accomplished something. In many instances, it would have meant—

Mr. Andrewes: They would have kept their promise.

Mr. Gillies: Yes, it would have meant they would have kept their promise. Let us get serious for a minute. It would have meant that many working people could buy their lunch in a small cafeteria or in any number of little restaurants in my riding or others. It would have been a \$3 or \$4 lunch and it would have meant something. We are not talking extravagant meals, we are not talking big-ticket meals, we are talking ordinary working lunches for ordinary people.

Hon. Mr. Sweeney: Who were the ones who wiped it out completely?

Mr. Gillies: I would like to continue my brief remarks but the problem I am having is that the interjections of the members of the government are unduly lengthening my remarks.

Hon. Mr. Sweeney: We have another 15 minutes.

Hon. Mr. Van Horne: We just want the member to be factual.

Mr. Gillies: I am being precisely factual. My friend the member for London North (Mr. Van Horne), Minister without Portfolio responsible for senior citizens' affairs, and his party said they were going to raise the exemption to \$4.

Hon. Mr. Sweeney: And we will.

Mr. Gillies: They have raised from \$1 to \$2. What does that do?

The Acting Speaker: Order. Would the member for Kitchener-Wilmot (Mr. Sweeney) refrain from interjecting?

Hon. Mr. Sweeney: Sorry, Mr. Speaker.

Mr. Epp: He is being provoked.

Mr. Gillies: I am not trying to be provocative, as Bill Davis used to say. That is one thing: I believe a change from \$1 to \$4 would have accomplished something meaningful. I do not think the change from \$1 to \$2 does that to any extent, beyond allowing people to put their coffee and doughnut on the same bill, but there it is.

The placement of a ceiling on tax relief for alternative-power vehicles really puzzles me. I am hoping the parliamentary assistant can help me with this later when he makes his remarks. It seems to be a move which unduly complicates something that was previously rather simple. The exemption from tax was straightforward on

alternative-power vehicles. It is being replaced by a rebate, which just means more red tape, as far as I can see.

It is straightforward when the vendor knows there is an exemption and the purchaser knows there is an exemption. There is no great problem. Putting a rebate system into place is another example of the penchant of this government to use red tape where it is not required.

Interjection.

Mr. Gillies: For those of you who missed the interjection and for the benefit of Hansard, my friend the member for Etobicoke just said, "It proves the Liberal environment policy has more gas than substance." I wanted to get that right. It is a good one.

Another feature of this change in the alternatively powered motor vehicle aspect of the bill is that a ceiling of \$750 per propane conversion and \$1,000 per natural gas and other alternate fuel conversion will be placed on the rebate of the sales tax on motor vehicle conversions. I hope when the time comes the parliamentary assistant will be able to enlighten me on the benefits of those ceilings. It is fairly obvious that it is a revenue-generated move. None the less, if he could enlighten us on that at the appropriate time, I would appreciate it.

However, while those matters, the question of the food exemption and the question of the alternatively powered vehicles, are concerns—and we can even talk about them in light-hearted terms to an extent—the third feature of this bill is one that I and my party take extremely seriously. I would like to devote some time to it, because this one causes us considerable concern. That is the removal of the exemption from sales tax on trucks.

I have a particular concern—I will say it right up—because there is a manufacturer of truck-trailers just outside my riding of Brantford in the community of Cainsville, the Trailmobile company. It is of great concern to me because that company employs about 600 people in good times when there are no layoffs, and a good number of those people are residents and taxpayers in the city of Brantford. It is fair to say that industry has had a number of serious problems in the past four or five years. My feeling was that any kind of break, any kind of assistance we could offer the trucking industry, particularly the truck manufacturing industry, was of considerable benefit, not only to Trailmobile just outside of my riding but also to Mack Canada and General Motors and all the other truck manufacturers in our province.

18:20

I might say parenthetically to my friends on the left that my New Democrat opponent in the last election—and in the next election as a matter of fact—Jack Tubman, is an employee of Trailmobile. I am concerned about all the jobs, but I am concerned that Mr. Tubman have his job to go back to because I plan on being here for a while.

Mr. McClellan: The member will be here for a while.

Mr. Gillies: I have just been reassured.

Mr. Andrewes: Dinosaurs move slowly.

Mr. Gillies: Dear dinosaurs.

I have some concern about these constituents. The concern is this: The trucking industry is a major industry in our province, not only the manufacturing of trucks and trailers but also everything associated with it.

It may be appropriate that we are debating this bill on the very day that the tragic news has come through on the question of the countervail and softwood lumber because in a very direct way, this bill represents yet another blow to the resource industry and the small business sector. I see a direct connection. At a time when trading measures are being put in place that are going to have a detrimental effect on thousands of jobs in this province, at a time of manoeuvres by great powers such as the United States, and at a time when activities within and without the control of this Legislature are taking place that are going to put a stiff burden on the resource sector of our economy, it troubles me a great deal that the removal of this tax exemption is going to hit many of the same people and is going to hit them at the same time.

I understand that the softwood and softwood-related industries in this province account for a chunk out of our gross provincial product that is something like \$7 billion and, at the barest minimum, 7,000 jobs in northern Ontario alone. Is this a time, I ask the parliamentary assistant, to add to the burdens of that resource sector and of the various industries such as the trucking industry that are directly tied to the resource sector?

The government has decided to move this amendment despite stiff opposition from the Ontario Trucking Association. They asked the government not to do this in a direct approach last November. I am not suggesting for a minute that government can or should accommodate every special interest that ever comes knocking on the door. We know that is not possible. We have been on the other side and we plan to be back

there. This is one group the government should have listened to very carefully. Our automobile and automobile-related industry has not yet recovered to a point where we should be removing the incentive this tax exemption provides.

The OTA estimates the removal of this sales tax exemption will increase equipment costs in the trucking industry by \$65 million in the first year the new legislation is in place, and presumably there will be increasing costs thereafter. That is a considerable amount of money; \$65 million pumped into the northern Ontario economy right now could be a very tangible benefit and could perhaps salvage some of the jobs we are all so concerned about. At the same time, taking \$65 million out of the pockets of the purchasers of trucking equipment is a retrograde step.

There is another problem. I understand the removal of the exemption, as the parliamentary assistant indicated earlier, will become effective on January 1, 1987, and will result in a substantial production increase in the last quarter of 1986, as customers reschedule their purchase decisions so that they can still qualify for the exemption. I fear we could see a slump in the trucking industry in early 1987.

In my part of the province, where the honourable Treasurer (Mr. Nixon) also resides, we are all too familiar with this type of cycle. We are all too familiar with the farm machinery industry responding to a certain impetus or incentive from government. In come all the laid-off workers, on go the overtime shifts and everyone works and thinks this is wonderful for two or three months, and then bang.

Funnily enough, it is usually right after the Christmas break, right after New Year's Day that they get the layoff notices. I hope this is not going to happen in the trucking industry, because it clearly sets the pattern. I suggest to the parliamentary assistant that I am the last person to advocate retroactive legislation in most cases around here, but when we pass a bill in the next number of weeks which comes into effect in January 1987, with that very clear ramification of the loss of exemption coming up, I can see exactly that happening. I can see all my friends and the people I know at Trailmobile being called back for a couple of months, and then boom.

Even people who are working now could be laid off if there is a slump in early 1987. I hope that does not happen, but I fear it could. Mack Canada in Oakville, which is one of the larger manufacturers of trucks in the province, has

already announced that production will be reduced from 17 trucks a day to 10 as of January 1987.

It anticipates that many jobs will also be lost at its suppliers in related trucking industries. So it is not just my hypothesis, as I say to the parliamentary assistant. Here is one of the major manufacturers saying, straight up, that based on its projections of what is going to happen after the amendment to the legislation is passed, it is already planning layoffs and decreased production. I hope the parliamentary assistant will take that into account.

Another group very concerned about this is the Canadian Truck Trailer Manufacturers Association, of which my constituents at Trailmobile are members. It estimates that there will be a production decline in 1987 of approximately 27 per cent. A production decline of this magnitude could result in a reduction in the direct labour force of up to 25 per cent. As 1,200 people are employed in the trailer manufacturing industry in Ontario, more than 300 jobs could be lost.

I want to say straight up to the parliamentary assistant that this is the view put forward by this association. I am not suggesting for a minute that layoffs of that magnitude would be triggered merely by the removal of the sales tax exemption. I am not sure I buy that. However, it is saying that a combination of circumstances—and this is one of them—could lead to layoffs and lower production of that order.

I will be very frank. If any association or anyone is going to try to tell me that layoffs of that magnitude would come about as the result of one sales tax change, I would really like to see the figures and the assumptions lying behind that.

I see the time is drawing near for the government House leader to outline the business for the coming week, and so, with further remarks to come, I move the adjournment of the debate.

On motion by Mr. Gillies, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Nixon: I would like to indicate the business of the House for the coming week. Mr. Speaker, you have received notice and been good enough to pass it on to the House leaders of a notice to set aside the ordinary business of the House on Monday to discuss the decision made by the US government of a 15 per cent countervailing tariff on softwood lumber products.

It is my expectation that a special debate will proceed. That is up to the House, of course, but in the event that it does proceed, then our regular business will resume Tuesday, if the House decides.

I would like to consider Bill 129, the Toronto hospitals bill, on Tuesday, and then continue with the interim supply motion. When that is completed, we can resume debate on the Revenue and Treasury bills not completed this week.

We will do the same on Wednesday and Thursday afternoons, unless those bills are completed. On Thursday morning, we will deal with private members' business standing in the names of Mr. Shymko and Mr. Hayes.

The House adjourned at 6:31 p.m.

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Monday, October 20, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, October 20, 1986

The House met at 2 p.m.

Prayers.

APOLOGY

Mr. Reville: I want to apologize to the Minister of Housing (Mr. Curling). In response to a question during a press conference on Friday, October 17, I mimicked the minister's accent. That was ill considered, thoughtless of me and completely inappropriate. It is in no way a reflection of my views.

On Saturday, I telephoned the minister at his home and apologized to him personally. I repeat that apology to the minister in the House today. I did not intend any disrespect towards the minister, and I am very sorry for the hurt I have caused. I would like to thank the minister for the gracious way in which he responded and for his kindness to me.

Mr. Speaker: I am sure the members of the House will accept those comments.

COCHRANE NORTH BY-ELECTION

Mr. Speaker: I beg to inform the House that the Clerk of the House has received notice from the chief election officer that an action has been commenced in the Supreme Court of Ontario relating to the election in the electoral district of Cochrane North.

Assistant Clerk: Dated October 16, 1986, and addressed to Claude DesRosiers, Clerk of the Legislative Assembly, the letter from the chief election officer reads as follows:

"Dear Mr. DesRosiers:

"As required by section 98 of the Election Act, chapter 54 of the statutes of Ontario, 1984, I wish to notify the Legislative Assembly that an action has been commenced in the Supreme Court of Ontario contesting the election of Mr. René Fontaine, Esq., in the electoral district of Cochrane North. A copy of the statement of claim is enclosed.

"Yours sincerely, Warren R. Bailie, Chief Election Officer."

The claim reads as follows:

"1. The plaintiff was a candidate in the August 14, 1986, by-election for the riding of Cochrane North.

"2. The defendant and others, including the chief elections officer, the returning officer and David Peterson, leader of the Liberal Party, committed criminal offences and statutory violations before, during and after the election.

"3. The matter is now the subject of an inquiry by the commissioner, RCMP, Ottawa.

"4. The plaintiffs seek to contest the election pursuant to section 98, subsection 1 of the Election Act, statutes of Ontario 1984, chapter 54. The plaintiff proposes the action be tried at Toronto. Dated Toronto, October 15, 1986.

Mr. Speaker: That is for the information of members.

MEMBERS' STATEMENTS

NATIONAL SMALL BUSINESS WEEK

Mr. Barlow: It is my pleasure to remind this assembly that October 19 to October 25 is National Small Business Week in Canada. Small business has become the very backbone of our economy, providing the bulk of employment opportunities in recent years and sailing us through the choppy economic waters of the early 1980s which resulted from the tides of the worldwide recession.

The owners of small businesses are helmsmen for whom I have the deepest respect. They are the dreamers and believers of our society. They are the ones who are not afraid to put in 12 or 14 hours a day and are willing to risk going it alone without the comfort of the corporate canopy.

One of the exciting things that has taken place in the small business community is the number of women who have ventured forth to start their own small businesses. One third of Ontario's small businesses are now owned by women who saw something better for themselves than being slotted into traditional work roles.

To all the men and women of Ontario who dare to participate in the hard work and excitement of owning their own small businesses, I extend my heartiest congratulations and best wishes. I ask the members of this assembly to join the Canadian Chamber of Commerce, boards of trade and other organizations active in the business community in recognizing Small Business Week 1986.

HAMILTON HEALTH FACILITY

Mr. Mackenzie: On Wednesday, October 15, more than 600 people gathered to honour Dr. Robert Kemp of Stoney Creek. The size of the gathering was a small indication of the respect in which this committed local family doctor is held in our community. Dr. Bob has been a force in many community activities, but none more than a determined and ongoing effort to achieve an east-end medical facility in the city of Hamilton. This facility was supported by a previous Minister of Health in 1975 in this House, and I have pushed for it on a number of occasions. The project was endorsed by my predecessor, Reg Gisborn, and by Ian Deans, a former colleague of mine.

At the gathering last Wednesday, it was clearly indicated that the plans for this facility have been in the hands of the appropriate minister, the Minister of Health (Mr. Elston), for a number of weeks now, and people are a little concerned about the delays in getting approval. They also want to be sure that a commitment of \$10 million made two years ago by the previous Conservative government to assist in the funding of this facility will be honoured. They believe it will; the indications are that it will; but there has been no formal word from this government that the money is forthcoming.

I hope that in his coming visit to Stoney Creek, the Premier (Mr. Peterson) will be able to set at ease the minds of the citizens concerning this very much needed facility and announce the go-ahead on the project.

APPLE PRODUCTION

Mr. McKessock: Mr. Speaker, you have on your desk fancy red McIntosh apples from Georgian Triangle Apples in Clarksburg, Grey county. It has one of the most modern, computerized packaging and storage facilities in Ontario, and it is proud to display on its box the Ontario Foodland logo.

Georgian Bay is the largest apple-growing area in Ontario. Agriculture seems to have more than its share of problems and risks. Whether it is going to the bank to obtain that loan for what has become a very large and expanded industry or whether it is going out on a limb to pick these apples, the risks are there. Ontario farmers are also there, willing and capable of taking these risks so we can have an abundance of fresh, healthy food at a reasonable cost.

Georgian Triangle also wants me to express to the Minister of Agriculture and Food (Mr.

Riddell) its appreciation for his deep concern for agriculture in this province.

ACCESS TO INFORMATION

Mr. Harris: Recently, the Ministry of Education and the minister, through a press release, sent officials around the province to explain Bill 75. The minister said, "I would like to encourage ratepayers to contact their school-boards as soon as possible to examine their rights under Bill 75 and to find out if trustee elections will be held at their boards," Education Minister Sean Conway said today." As a result of that, they sent Miss Emond to North Bay to explain Bill 75; advertisements, public meeting, everybody comes.

What happened? Here is what happened. At Miss Emond's insistence, on behalf of the Ministry of Education and over the objections of Mr. Lynch, the director of education for North Bay, the media and the public were expelled from the meeting. According to Miss Emond, "The news media will not be allowed to any similar information meetings being held in Ontario."

This is typical of this Liberal government. The press release says one thing, but the actions of the government may enact something else. This chicanery, this slipperiness, this intellectual dishonesty is insulting to the members of this House, to all the public and to the media. Once again, we all get the back of the hand from this arrogant Liberal government.

EQUAL PAY FOR WORK OF EQUAL VALUE

Ms. Gigantes: I rise to call the attention of the members to the fact that it was three years ago today that a particular member of the Legislature, now the Premier (Mr. Peterson), issued what he called "a clarion call for action" on the issue of equal pay for work of equal value.

Speaking then in support of a private member's resolution on this subject, he castigated the Conservatives, saying: "My friend the minister talked about successful staged programs. I do not know what that means...." He has discovered since. He went on: "We are not just asking for homage to the principle, for pious speeches or for everyone to get together. We are asking for specific changes in the legislation." A few sentences later he trumpeted, "We are suggesting in this resolution that we move now, not six months or a year from now." Referring again to the Conservative minister, he said: "Now the minister is on trial, and not only by his colleagues

in the House and his own party. Some 8.5 million people across this province are looking to him to provide the leadership."

Where is that progressive young man we read of in Hansard for October 20, 1983? Who was that guy anyway? He has had the chance in the past year and a half to provide the leadership, to provide legislation and to ensure equal pay. Has his conscience just gone to sleep?

DAUGHTERS OF ENGLAND

Mr. Callahan: I rise to bring to the attention of the House that in my riding the Daughters of England celebrated their 50th anniversary, having been founded in the good city of Brampton in 1936. There are still five charter members, who were honoured on the particular evening.

PORTUGUESE COMMUNITY

Mr. Callahan: I also rise to congratulate the Voice of Portugal, a newspaper that serves the Portuguese community not only in my riding but throughout Ontario as well. There are some 52,000 Portuguese people—it would be interesting if the opposition would listen, because the Portuguese people are listening. There are some 52,000 Portuguese members in my riding; I salute them, and I salute the paper. They presented me with a plaque, and they presented one to me for the Premier (Mr. Peterson), which I will be sending around to his seat.

INTERVENER FUNDING

Mr. Andrewes: On June 7, 1986, I asked the Minister of the Environment (Mr. Bradley) to address the issue of intervener funding. Recently, in its annual report, the Environmental Assessment Board made reference to the fact that the courts had quashed the board's decision to award costs in advance to a group of interveners.

In the Niagara region, many citizens' groups are preparing their case to fight the proposed toxic waste treatment and storage facility and are patiently waiting for a word of encouragement from the Minister of the Environment regarding intervener funding. Dr. Chant, chairman of the Ontario Waste Management Corp., has publicly indicated his intention to fund intervener groups, but he feels that OWMC, as the proponent for the facility, should not act as judge and jury. When can we expect the Minister of the Environment to take action?

14:18

STATEMENTS BY THE MINISTRY AND RESPONSES

IMPORT SURTAX

Hon. Mr. O'Neil: Today, I would like to address the United States congressional action of last Friday which saw both the House of Representatives and the Senate pass legislation that would allow the US customs service to charge an import surtax on all imports entering the US for a period of three years.

Mr. Brandt: On a point of order, Mr. Speaker: I remind the minister the rules of the House require that copies of the statement be circulated. As critic for our party, I do not have a copy of the statement.

Mr. Speaker: The standing orders state that there must be two copies sent to each party. Are there copies?

Mr. Brandt: I have now received a copy.

Hon. Mr. O'Neil: This latest US action should be interpreted by all Canadians as nothing less than a further nontariff protectionist barrier aimed at Canadian exports.

Let there be no doubt as to how Canadians see this latest move by a US Congress that is growing more protectionist. This action effectively counters the March 18, 1985, Quebec summit declaration in which Prime Minister Mulroney and President Reagan undertook—and I quote from that declaration—"a joint effort to establish a climate of greater predictability and confidence for Canadians and Americans alike to plan, invest, grow and compete more effectively with one another...."

The US import surtax works to undermine the Canada-US free trade negotiations currently under way. It also undermines a number of long-standing bilateral agreements between Canada and the US, such as the auto pact, which have served both economies well for more than 20 years. On the multilateral front, this surtax clearly flies against the recent commitment undertaken by the US at the special session of the General Agreement on Tariffs and Trade contracting parties, at which all members agreed to take no further protectionist measures.

The federal government must prepare a strong challenge against the surtax via the dispute settlement mechanism of the General Agreement on Tariffs and Trade. Other avenues of recourse also must be urgently explored.

Last year, such an import surtax would have cost Ontario exporters close to \$100 million. The negative consequences that will result from this action could have serious, long-term implica-

tions to the trading relationship between the two economies. Therefore, it is important that the government in Ottawa takes prompt and forceful action to address the situation.

Mr. Speaker: Are there any further ministerial statements?

Hon. Mr. Nixon: Mr. Speaker, the Minister of Natural Resources (Mr. Kerrio) has a statement that he would like to put to the House today, but he has not entered the House yet. Perhaps, with the permission of the House, we could proceed with questions and revert.

Interjections.

Mr. Speaker: Order. The government House leader suggests that the House may consider reverting. If members wish, we will wait for a moment.

Hon. Mr. Nixon: Here he comes.

Mr. Speaker: I understand the Minister of Natural Resources has a statement.

Mr. Brandt: I have a brief response to the Minister of Industry, Trade and Technology. I think all of us in this House find the US action with respect to an import surtax a very distasteful measure, but I also find it passing strange that this minister would immediately begin pointing fingers at the federal government in connection with this problem.

His government has given no indication whatever, since the whole discussion on trade negotiations emerged some months ago, about any willingness to remove some of these trade impediments. They know full well that we have a very substantial surplus in our trade dealings with the US. They know that is an aggravation to some US politicians, and yet under no circumstances have they given any support whatever to the federal government in its attempts to try to remove some of those impediments and some of those problems.

I urge the government to take very seriously the rising protectionism in the US and to sit down and begin negotiating on some of these very critical matters.

TARIFFS ON SOFTWOOD LUMBER

Hon. Mr. Kerrio: Yes. I should wait until the copies have been circulated.

Mr. Speaker: The minister may proceed.

Hon. Mr. Kerrio: Excuse me, Mr. Speaker. This may be the first time this has happened, but now the minister does not have a copy of the statement.

Interjections.

Mr. Speaker: Order. Before we proceed, I will just check. Is the minister prepared?

Hon. Mr. Kerrio: Yes, Mr. Speaker.

Mr. Speaker: Okay.

Hon. Mr. Kerrio: I would like to make sure everyone in this House understands this government's position regarding the United States Department of Commerce 15 per cent countervailing duty on Canada's softwood lumber exports to the United States.

There is no doubt in our minds that we absolutely oppose this decision. It is unfair and unacceptable. I want to assure honourable members that this fight is far from over. I also want to make it clear that we should not view this as a final decision. The Commerce department will announce its final decision on the subsidy on December 30.

We will do our utmost, in conjunction with our Canadian colleagues in government, industry and labour, to convince the American government of the unfairness of the preliminary finding.

In 1983, the Commerce department ruled that the Canadian stumpage systems were generally available and could not, in effect, be a subsidy to the forest industries. Since then, the systems have not changed. Stumpage fees in Ontario and in other provinces have actually increased—by some 25 per cent in Ontario alone. I find it very difficult to understand the logic behind the about-face by the US government in now deciding that the stumpage systems are countervailing.

I would like to bring the House up to date on what has been happening on this issue between the provincial governments and the federal government during the past few months.

In September 1985, officials from the Ministry of Industry, Trade and Technology, together with representatives from the federal government and the forest industries, mapped out a program to provide Ontario assistance to the softwood lumber industry, using MITT's field offices in the United States. Senior officials of that ministry, working with Canadian consultants across the US, subsequently developed US allies in support of the Canadian position.

In October 1985, the Premier (Mr. Peterson) went to Washington and addressed the softwood lumber issue with US politicians and members of the administration.

Since July 1985, I have personally attended a number of meetings with my provincial and federal counterparts, and officials from my ministry attended frequent sessions and were in close contact with their colleagues.

The Minister of Industry, Trade and Technology (Mr. O'Neil) and I met repeatedly with other provincial and federal ministers along with senior officials from our respective ministries. The Minister of Industry, Trade and Technology met with James Kelleher on June 17 regarding this matter, and with Pat Carney on September 10.

Within weeks of the initial announcement of the US industry's petition for a tariff in 1986, we met with provincial and federal ministers in Vancouver to come up with a strategy that would best serve the interests of this country and those provinces with the most to lose—in particular, Ontario, British Columbia, Alberta and Quebec.

We recognize the importance of this issue to our province. We are talking about jobs here in Ontario. We are talking about up to \$600 million in Ontario's softwood exports. We have been strongly supporting our industry in its fight against this case.

We had very serious reservations about the approach of the federal government to negotiate a settlement before the preliminary determination. We made our reservations about this approach clearly known from the beginning, but it was only after the federal government was committed to negotiate that the provinces were brought along.

It is clear that all those involved in Canada must work together. This is why I welcome an opportunity to meet tomorrow with my provincial and federal colleagues. We have felt from the beginning, and we still feel today, that we should be a member of the Canadian team and work together to avoid disaster for the softwood industry in this country.

I must emphasize that the interests of Ontario, our industry, labour and communities are paramount. This issue has an impact on Canada as a whole. This is a national issue where we need prudent national leadership. It also has an impact on the forest industries as a whole, not just the lumber business, and on the vitality of the economy of Ontario. This ruling, if accepted, creates a dangerous precedent and one we must avoid at all costs. The decision that has been rendered is both unfair and unacceptable. We oppose it and we will continue to oppose it. In this, we are also representing Ontario's forest industries.

Earlier today, the Minister of Industry, Trade and Technology and I met with senior officials of the forest industries and we have their wholehearted support for our position in this counter-vail. Ontario government officials met today

with their provincial and federal counterparts and representatives of industry and labour to plan a strategy. Tomorrow, as I mentioned, I will meet with other provincial and federal ministers on this subject.

We are adamantly opposed to this unfair ruling and we will fight it with all the resources at our command.

Mr. Pope: With respect to the Minister of Industry, Trade and Technology and the Minister of Natural Resources and their roles in the softwood lumber issue in the US and the countervail application, I think we have again had clear evidence from the Minister of Natural Resources and this government of their failure to understand the issues, their failure aggressively to protect Ontario's interests, their failure to aggressively protect Ontario's jobs and their failure to look after the single-industry communities in eastern and northern Ontario.

They now claim that more than a year ago the Premier went to Washington and addressed that issue, and that somehow that sole and unique contact, as the minister describes it, was adequate. The Premier is great at gearing up the public relations and the press releases for all sorts of nonsensical announcements, but there was not one word on his role in the softwood lumber issue coming out of Washington.

They called him "Premier Anderson." That is what a hit he made in Washington. There was not one word about his addressing a serious bilateral issue that affected Ontario's policies, because we are talking about Ontario stumpage policies; not one answer emanating out of the Washington meetings whatsoever; no understanding at all by this government of the seriousness of the problem. It is not prudent national leadership we need; we need some kind of provincial leadership by the government of Ontario. We have seen none.

Because of it, we now have a depressed market for lumber sales. We have the possibility of all sorts of contests for domestic markets among Quebec, British Columbia and Ontario producers. We have uncertainty in the market, such that Tom Inglis was commenting on it for Great West Timber last Friday. We have that kind of uncertainty right now and we have potential significant job losses in all parts of the province.

This is a very major industry, one of the most important for Ontario's economy, and the government blew it, plain and simple, in the trade negotiations.

Mr. Grossman: I want to address that very same issue and to point out to the government and

its leader that the parts of northern Ontario most affected by the duty that has been imposed include some of the communities he visited not very long ago.

I mention places such as Longlac and Geraldton, where more than 30 per cent of the labour force is employed in the softwood lumber industry. It was in those communities that he was telling them they would have to go out and solve their own problems, that he was not able to do anything for them, that they would have to stand up on their own two feet and find a way to solve their problem locally.

Meanwhile, his Minister of Industry, Trade and Technology, his Minister of Natural Resources and he himself were doing nothing whatsoever to stop the most devastating blow that could face those small, struggling communities. They were sitting here. They travelled to Tokyo. They were travelling to Seoul, Korea, where 60 people turned out to hear them. They were travelling to Peking and were doing nothing in Washington to help the people in Longlac and Geraldton, whom he was telling, "Go off and solve your own problems."

This is absolutely the weakest, most fragile display of government inaction, hand-washing and walking away from the people of northern Ontario that has ever been seen in this Legislature. The Premier should go back to Geraldton and apologize for his inaction, which is taking jobs from the people he gave the back of the hand to.

Mr. Rae: We really have been exposed to an extraordinary display of the wet noodle from the Minister of Natural Resources and the Minister of Industry, Trade and Technology, starting on Thursday. On Thursday the Minister of Natural Resources told the House, "Well, they requested some 37 per cent, and the number that has been handed down is 15 per cent." The interjection from the Minister of Industry, Trade and Technology was, "Quite a bit was done."

The only thing the Minister of Industry, Trade and Technology can say today in response to the law that was passed last week by the American Congress is to tell us it was passed and to call on the federal government to do several things: "It is important that prompt and forceful action be taken by Ottawa to address the situation"; "the federal government must prepare a strong challenge."

The people of Ontario expect the government of Ontario to stand up for the people of Ontario. They are not going to rely any more on Brian Mulroney. Everybody in the country has lost

faith in Brian Mulroney. The only one who believes him any more is the Minister of Industry, Trade and Technology.

It is reasonable to expect that this government should have been down in Washington in force, as was requested by our members on the select committee on economic affairs. We should be there all the time, fighting for the interests of Ontario, fighting for the people of Ontario and not leaving it all in the hands of the federal Tories, because if we do that, we are going to be all the poorer for it. We are paying the price for that now. We are paying the price for his inability to defend the interests of the people of this province, and the time for that practice is ended. The time for the government to start getting down there and doing the job itself is long overdue. The horse has already left the barn, brother. It is time it started to do its job.

Mr. Wildman: I regret very much that today we got more support in the Washington Post than we got from the Minister of Natural Resources. In Washington, that journal editorialized that the main reason for the increase in Canadian softwood exports into that country was exchange rates, not subsidization, and called the decision unfair. Yet we have a limp response by this government to the suggestion that was made last week.

In fact, this is a slap in the face for the Canadian industry. As my leader indicated, this minister and his colleagues thought last Thursday it was not so bad. What does he have to say in his statement today? He lists a number of meetings he had with federal and provincial officials in Canada. What does he say he is going to do? He is going to have more meetings with federal and provincial officials in Canada. He says he and this government had reservations about the suggestion of a 10 per cent impost, as made by the federal government and the government of British Columbia. He did not make those reservations public; nobody knew about it. He is doing it now only after the suggestion and assistance of the American industry to bring about this 15 per cent interim countervail.

It is not enough for this government to say that it will meet with federal and provincial officials. This government should be making our case in Washington where there are allies for our position. There are US senators who represent consumer states and who understand that this will mean a loss of jobs in their states. The government should be making that position clear in the US and in Canada.

Instead, the government is going to meet James Kelleher and those guys. They sold us out. This government is going along with it. When are we going to get some action from this government to support our industry, which is going to face further and further competition from the British Columbia industry, as a result of the imposition by the American government?

When are we going to get some action in Washington by this government rather than going to Ottawa and hoping that Pat Carney and her ilk will help us out when they are prepared to sell out this country at every turn?

Mr. Foulds: It is embarrassing to see this government try to respond to this issue. It failed last week, it failed last year and it is failing now. It has failed to protect jobs in northern Ontario and it has failed to protect Ontario's wood industry. Now the government is going to have more meetings to do it.

This is an Ontario issue. This is an issue the members opposite should be speaking on publicly. This is the one chance they have where they should withdraw from the free trade talks until this kind of issue is—

Mr. Speaker: Order.

Mr. Martel: Maybe we could have another conference.

Mr. Speaker: I have not recognized the member for Sudbury East (Mr. Martel). That completes the allotted time for members' responses.

14:37

ORAL QUESTIONS

TARIFFS ON SOFTWOOD LUMBER

Mr. Grossman: I have a question for the Minister of Industry, Trade and Technology. His colleague, in his weak and too late statement, said this afternoon, "We made our reservations about this approach"—that is, the approach to negotiate a settlement—"clearly known from the beginning, but it was only after the federal government was committed to negotiate that the provinces were brought along."

The minister's colleague neglected to tell this House in his statement whether the Ontario government supported the federal proposal to implement a stumpage fee increase of 10 per cent. Could the minister share with the House whether he agreed to that?

Hon. Mr. O'Neil: The series of events was that the federal Minister for International Trade went to Washington, an announcement was

made concerning her visit there, and that message was later brought back to the provinces.

Mr. Grossman: I have invited the minister to indicate the position of his government on whether it supported the offer to raise stumpage fees by 10 per cent. That calls for a yes or no answer.

Before the minister attempts another shot at it, we have checked with Don Campbell, assistant deputy minister of the US branch, Department of External Affairs, who told us explicitly that Ontario did support the federal government's offer.

Hon. Mr. O'Neil: As I previously mentioned, the federal Minister for International Trade went to Washington and discussions were held there. Subsequent to that, she announced they would look for a settlement of 10 per cent. That was later relayed to Ontario and the other provinces.

On a couple of occasions, I personally, as well as my ministry staff, have made her aware that we were not happy with that at all, but it was a national consensus given by both her and the trade minister from British Columbia.

Mr. Grossman: The minister may couch this in as long an explanation as he wishes, but the public of Ontario and the opposition are going to demand to know whether the minister was part of that national consensus, which he alleges was in place, which supported the offer of a 10 per cent stumpage fee increase.

I will repeat my question so the people of Ontario who are watching and listening can understand whether the Ontario government fought against the 10 per cent increase or proposed settlement. Did the minister in any way agree to a 10 per cent stumpage fee increase: Yes or no?

14:40

Hon. Mr. O'Neil: I mentioned to the member the series of events when that was brought back and put before a meeting of all the representatives of the provinces. All the provinces agreed with it, and we went in with it to support it.

Interjections.

Mr. Speaker: Order.

Interjections.

Mr. Speaker: You may worry about that as long as you want, but this is question period. New question.

Mr. Pope: To the Minister of Industry, Trade and Technology: Did the government of Ontario support the eight to 10 per cent solution before it

was announced by Pat Carney in the federal House?

Hon. Mr. O'Neil: I cannot tell the member whether it was supported before she announced it in the House, but I can and did tell him about the series of events when we objected to her making that announcement before it had been relayed to us as a province.

Mr. Pope: That is completely meaningless nonsense. We want to know whether the minister was part of the national consensus to arrive at the eight to 10 per cent proposal made by Pat Carney. Did he agree? Was he part of the national consensus when that was announced?

Hon. Mr. O'Neil: After the announcement had more or less come out of Washington, there was a meeting between Pat Carney and the ministers of trade from across the country. There was agreement by both the federal government and the other provinces, and as I said, Ontario reluctantly went along with that decision.

Mr. Pope: Quiet reluctance is no defence. The minister did not publicly voice his concern when the announcement was made. He did not publicly voice his concern until he concocted this line of defence for this statement today. Never once before today did he announce that he disagreed with the eight to 10 per cent offer of Pat Carney.

In supporting that proposal, what studies has he done and what studies is he prepared to give us today that demonstrate what the job loss will be in northern Ontario in the forest products industry and how many mills will have to close down because of his acquiescence in this proposal? He refused to give them to me last Friday. Why will he not produce them?

Mr. Speaker: Order. The member has already asked two or three questions.

Hon. Mr. O'Neil: Those are questions the member should maybe also be asking of Ottawa as to the role it played in this issue. We are not looking at jobs being lost in the north. We intend to fight this decision so that there is no duty placed on it at all.

Mr. Rae: What the minister appears to be telling the House today is that the government intends to fight its own position. Although the Minister of Natural Resources (Mr. Kerrio) did not have the courtesy or the courage to admit it categorically in his statement to the House, the minister has now admitted that Ontario went along and endorsed the 10 per cent position.

Does he not agree that the impact of that decision, which he and his government endorsed with the Mulroney Tories, cut our negotiating

team off at the knees when it comes to resisting the view of the Department of Commerce that we are subsidizing our lumber industry and that our exports to the United States are subsidized? Does the minister not realize that is the impact of the 10 per cent position he took, and does he not realize he has succeeded in undermining, subterfuging and sabotaging his own case to the US?

Hon. Mr. O'Neil: We believe this case can be reversed; in other words, there will not be a 10 or eight per cent surtax. We believe that with us working with the federal government, the other provinces and the industry itself, that decision can be reversed so there will be no charge and we will go back to the 1983 decision.

Mr. Rae: The minister has become an expert at scoring on his own goal. Does he not realize that Ontario has now committed itself publicly to a position of agreeing to a 10 per cent surcharge? He has agreed with that. He said that to Pat Carney. He is now part of that team. With what credibility can the minister go to Washington and say that 15 per cent is unfair? Will he go there and say, "Fifteen per cent is unfair but 10 per cent is fair"? Is that the position he will be advocating in Washington when he takes the position of the government of Ontario?

Hon. Mr. O'Neil: As I stated, we take it that the 10 per cent does not stand, and we will be fighting to reverse the whole issue and bring it back to the 1983 figure.

Mr. Rae: It is literally unreal to hear this minister say that his current position is that the position he agreed with before is no longer the position of the government of Ontario. Is the minister saying that a subsidy of two weeks ago is no longer a subsidy today? Is that the position he is taking?

Hon. Mr. O'Neil: I am saying our original feeling on this whole matter was right; in other words, it should not have been supported. Now the other provinces and the federal government will agree with us that we should have fought it to the end.

EXTRA BILLING

Mr. Rae: I have a question for the Minister of Health about the new situation with respect to extra billing. I would like to ask him initially about the situation affecting a number of women. I am not in a position to give the minister names in the House today, because the women who have spoken to me have asked that I not reveal either their names in public or those of their doctors.

Over the weekend, I received information with respect to three additional cases, one that involved a payment of \$200, another a payment of \$300 and the third a payment of \$350. That \$350 is being demanded by an obstetrician up front. It is not a guarantee of service, because the obstetrician says, "I will not be there on the weekend, and I will not be there if your baby has the inconvenience or temerity to be born after five o'clock," but simply an "administrative fee."

Does the minister not realize that this represents a fundamental abuse of the public and of women? What does he intend to do about the situation of doctors demanding fees up front before they will serve the patients of Ontario?

Hon. Mr. Elston: The honourable gentleman knows the legislation provides that should not take place in the manner in which he has indicated. He knows very well that the College of Physicians and Surgeons of Ontario has suggested very strongly that at no time should charges such as those act as an impediment either to delivery or to access to insured services.

If the honourable gentleman will provide me with the names of the particular people and the physicians, he and I can together work out a way of attacking that type of practice. I do not find it at all acceptable that this is going on. Together we can probably find a way to address the concern this type of charge raises in my mind.

Mr. Rae: It is the responsibility of the ministry to get a message out. This is not a practice of one or two people; it is a practice taking place across the board, and the minister knows it. I am appalled to know that the minister has not taken any systematic steps to sit down with the college of physicians and surgeons to ensure that this kind of practice does not continue.

I want to refer the minister to another case. After the passage of Bill 94, a letter was presented to a patient which stated as follows:

"The province of Ontario has recently passed a bill limiting a surgeon to 70 per cent of the fee schedule regardless of the nature of the surgeon's expertise or the time of the staff involved in organizing your surgery."

I will omit some of the letter for the sake of brevity. It goes on to say:

"In view of the high technology and expertise required and staff time, we would appreciate a voluntary contribution of \$500." For the minister's information, this is for an eye operation. "You are under no obligation to comply with this request, but your support would be appreciated.

We are encouraged by the patients who have been successfully operated on and who have helped us in this manner."

I did not make this up; it is right here in black and white.

Is the minister prepared to take steps to stop doctors from bilking patients for so-called voluntary contributions for so-called successful operations?

14:50

Hon. Mr. Elston: I think it has come as a surprise to no one that I would be concerned about letters such as that one being distributed. I think the honourable gentlemen would want to know that we have set up meetings to talk about this issue directly with the college.

In his preamble to the question, the member indicated that we had done nothing to systematically analyse what is going on. We are doing that, and we are concerned that somebody should be asked to infer from the content of the letter that a successful operation is dependent upon a voluntary contribution.

From my standpoint and from the standpoint of people who are involved in the profession and who would like to ensure that people do not abuse the patients' rights, obviously I would like to follow up on that letter. I will be pleased to receive the names and other information on the people involved so I can pursue it and so it can be pursued in my meetings with the college and with the Ontario Medical Association, with whom we are also having meetings.

Mr. Rae: Since the minister is meeting so often with the college of physicians and surgeons and the OMA, does the minister not agree with me that it is reasonable on the part of the public to expect a process of negotiation over the next few days which will produce a categorical statement and a categorical position that physicians will not send bilking letters with respect to donations, that there will be no so-called standby fees or administrative fees by a physician which dictate the choice of physician and that patients will have access to normal medical services without having to pay out of their own pockets?

Does the minister not think that kind of statement should be forthcoming in a very short time so the patients of this province will know once and for all that they are not going to pay out of their own pockets for normal medical service in Ontario?

Hon. Mr. Elston: From my standpoint, it is necessary to deal with some of the problems that have developed, largely from the historical side of the development of our health care system. We

have a schedule of benefits that talks about insured services, and it was really lifted holus-bolus from the fee schedule guidelines. I think the only thing that has been defined adequately is the payment that is to be made for each of those insured services.

We have a large number of questions to deliberate upon between myself as Minister of Health, and the members or representatives of the profession, the college, to come to grips with what is now much more clearly a job we have to finish—a job that was not finished before—and that is to define what is an insured service and, as expressed by the representative of the college of physicians and surgeons on the weekend, what are the rules and regulations within which this system is operating.

I can tell the member that, from my standpoint, it is necessary that we set up those guidelines clearly. We are embarking upon that. We are trying to clarify where these things are going. I can tell the member the letter from which he quoted is one example, but there have been reports in the papers of others which caused us as much concern as the question of someone who was charging extra or asking for donations to hospitals. We will check through those.

TARIFFS ON SOFTWOOD LUMBER

Mr. Grossman: I have another question for the Minister of Industry, Trade and Technology, who has assured us he is going to try to bargain back what he implicitly gave away. It reminds me of offering Rod Lewis \$2 million and then asking him to please give back \$31,000. They have a lot of practice at this.

My question is this: prior to going along with the offer of a 10 per cent increase in stumpage fees, did the ministry do a study of the impact of such an offer; and if so, how many jobs did that study indicate might be at risk in northern Ontario?

Hon. Mr. O'Neil: As has been mentioned by the Minister of Natural Resources (Mr. Kerrio), this ministry was very involved from the very beginning, not only with the visit of the Premier (Mr. Peterson) to Washington but our Ministry of Industry, Trade and Technology offices throughout the United States also did a lot of lobbying.

The minister and I had many meetings with the provincial ministers. We met with Miss Carney. We expressed our concern about it. Our ministry is continually doing studies of what the result would be of a 10 per cent surcharge on it. We estimate that between 500 and 1,000 jobs could

be lost in the lumber business if this were accepted.

Mr. Grossman: Does the minister mean to tell this House that he, knowing there were 500 to 1,000 jobs at risk in northern Ontario, voluntarily said to the federal government that it should relay to the Americans that he was prepared to go along with an arrangement that cost a minimum of 500 to 1,000 jobs in Ontario? How does he justify that position where he, the Minister of Industry, Trade and Technology, voluntarily gave up 500 to 1,000 jobs in small communities across northern Ontario?

Hon. Mr. O'Neil: That is simply ridiculous. The member does not know what he is talking about. I explained how the events went along and how we were pulled in with the other provinces and with the federal government. The federal Tories in Ottawa are the ones who brought this on, and he should not forget that either.

DAY CARE

Ms. Gigantes: My question is to the Minister of Community and Social Services. In response to my question last week on day care, he admitted he had done nothing about the problems that are going to be created by the removal of indirect subsidies to municipally operated day care centres, and that within two months.

I would like to know what he is telling us is going to happen to the families in Thunder Bay and in other areas where the removal of that indirect subsidy is going to have the effect of doubling day care fees in some cases and certainly requiring families to withdraw their children from those day care services.

Hon. Mr. Sweeney: My recollection of my answer to the previous question does not include the phrase that we had done nothing. I believe what I indicated to the member was that the process has been going on for three years and that last fall I had extended the period of time for an additional 12 months, from December 1985 to December 1986.

I also told the member we were in the process of working with a number of municipalities to solve their problems either completely or partially on an individual basis, because the situation is different in every area. In the member's own community of Ottawa, the spread between what should be charged and what is being charged is, I believe, between \$2 or \$3; in other communities, it is \$8, \$9, \$10 or \$15 in some cases.

The situations are very different. We have indicated that the federal government has made very clear to us, at a very costly financial penalty,

that we cannot continue this process. But we are not in the process of simply going out and closing down centres; that is not our job. Our job is to work with them individually, but we must have co-operation and support from the municipalities as well.

Ms. Gigantes: What the minister is telling us is that he is looking to the municipalities of Ontario to provide day care policy when he does not have one. What he is asking the municipalities to do is to increase their level of subsidy. What we would like to know is when he is going to have a policy, when his famous child care review is going to be finished and what he is going to provide for day care centres in municipalities, which have struggled along with their municipal approval in some cases, when those fees go up and families drop out.

Hon. Mr. Sweeney: We are not asking the municipalities to make day care policy for this province. This government will make day care policy for this province; it is in the process of doing that right now. What we are saying, however, is that the municipalities unilaterally may not legally make day care policy in the form of indirect subsidies. That is what we are telling them.

We are telling them at the same time that we are prepared to work with them, we are prepared to assist them to raise the ceiling under which individual families can qualify. That can happen in quite a number of these municipalities if that co-operation and that joint venture have to take place.

15:00

TARIFFS ON SOFTWOOD LUMBER

Mr. Pope: My question is to the Minister of Industry, Trade and Technology. Can the minister specifically answer my leader's question? At the time the minister went along with the eight per cent to 10 per cent national consensus, did he have studies in place that showed the potential job impact?

Hon. Mr. O'Neil: When the decision was made, as I mentioned that day, along with the 10 per cent offer, we did not have any job loss figure. We estimated that it could run between 500 and 1,000. We do not intend to let that happen. I would say now, along with the other provinces and the federal government that will run in with us, we will fight any charge.

Mr. Pope: This minister went along with an eight per cent to 10 per cent proposal without knowing its economic impact on the workers of

this province and without knowing its impact in northern Ontario. Out of any sort of responsibility, decency and respect for those jobs, why did he not just say no?

Hon. Mr. O'Neil: We said no both to the federal government and to the other provinces, but the consensus had been made that they were going along with the offer that had been extended by Miss Carney in Washington.

LANDFILL SITE

Mr. Hayes: My question is to the Minister of the Environment, if he will take his seat. On May 12 I asked the minister to close down the landfill site in the township of Maidstone. On October 10 I once again asked the minister in a form letter whether he would close that site. I have not had a response to that as of yet.

Last Friday my leader, our Environment critic and concerned citizens of my riding, along with myself, toured that site. We found that site has actually worsened. Nothing or very little has been done to correct the operation of that site.

Why will the minister not order the closing of the Maidstone landfill site, at least until a comprehensive investigation has been done to determine the real damage to the water supplies in the area?

Hon. Mr. Bradley: I was aware, by the way, that the member was down there, along with his leader and the Environment critic of the New Democratic Party, and I have read some of the newspaper coverage of their visit to that site.

I often wonder, however, having read this and other material, about the stand of the NDP on this issue, because a former, very prominent member for Windsor-Sandwich, who was in this House for a number of years and had a—

Mr. Hayes: On a point of order: I am the member of the provincial parliament for Essex North. I am asking the question. I am not concerned about other people who are not representing that particular riding.

Mr. Speaker: Order. I am sure the minister will answer the question.

Hon. Mr. Bradley: The only reason I mentioned that was that he was not the only one at the site. There was the member for Lakeshore (Mrs. Grier), who does not represent the riding, and the member for York South (Mr. Rae), who does not represent the riding; so I thought it would be useful to share with the member or to wonder aloud about the position. The former member for Windsor-Sandwich, who was in this House for some 10 years, a very prominent

member, a member of Windsor city council, said the solution is simply to pile the garbage higher.

Mr. Rae: Is that your answer? You are piling superciliousness. That is superciliousness at its best.

Mr. Speaker: Order.

Mrs. Grier: During the course of this summer I have been in many ridings, as well as my own, looking at incredibly awful landfill sites, be they in Northumberland county, in Tiny township or in Maidstone township. The position of my party is very clear. I want to ask the minister why in all his discussions there is no concentration on recycling.

We have today a brief from the Canadian Union of Public Employees pointing out the economic advantages of recycling. Here in Metropolitan Toronto less than two per cent of our garbage is recycled, whereas 12 per cent is recycled in the city of Kitchener. Why is the minister continuing to say he does not have a policy and that we do not have a policy, when we have seen no concrete evidence of any—

Mr. Speaker: Order.

Hon. Mr. Bradley: In fairness to the member for Essex North (Mr. Hayes), my friend who has discussed this on a number of occasions, I did not want to say to him that we are without some concern, that his concerns are not valid. I simply mentioned that there were a number of people in the area who have an interest in that landfill site and who have different views.

As both members know, we have had a special team there from the Ministry of the Environment. As soon as I saw this as being a problem, when assuming this office as minister, we started to undertake those kinds of activities, which include prosecution of individuals, specific new staff being placed on the site, a consulting company doing tests and so on.

To the member for Lakeshore, who asked a supplementary question, we have a very extensive recycling program in Ontario, and I certainly encourage it. She will know that we have increased substantially the amount of money that has been allocated for recycling. I hate to scoop myself, because I have a speech I am going to make to the Recycling Council of Ontario on Friday, but I can tell the member, who is genuinely interested in these matters, that because of the kind of popularity our program has, we are significantly increasing the funding for recycling, even within this year. I know she will be pleased with that.

OPP RELOCATION

Mr. Callahan: I direct my question to the Solicitor General.

Mr. Gillies: Write him a letter.

Mr. Martel: Why does the member not lean over and ask him?

Mr. Speaker: He would like to ask a question.

Mr. Callahan: Can the Solicitor General tell what stage the plans are at for the Ontario Provincial Police headquarters in Brampton?

Hon. Mr. Keyes: I can assure the member for Brampton that we are proceeding with the relocation plans, as originally proposed by the previous administration. We still feel the location is appropriate. It has received some additional funding from Management Board for our team to carry on reviewing the work, and I hope we will see, as priorities present themselves, a date for moving.

Mr. Callahan: By way of supplementary, I will deliver this to the former Premier from Brampton and let him know what his Conservative friends think of him now. They think it is a funny question.

TARIFFS ON SOFTWOOD LUMBER

Mr. Harris: I have a question of the Minister of Industry, Trade and Technology. Can the minister confirm that British Columbia, which is the province that has considerably lower stumpage and forestry fees than Ontario and the province that is the major source of concern in the United States, called the shots in this whole affair on behalf of Canadians?

Hon. Mr. O'Neil: BC certainly has a lot of interest in this decision, but the federal government—the member's Conservative cousins in Ottawa—is the one that made that initial offer and followed through with it.

15:10

Mr. Harris: The minister does not understand. Why would he agree with British Columbia, which we know has lower stumpage fees and which we know is the main concern? Where was the minister speaking for Ontario? On page 13 of the report, on the decision that came out, it says, "The department received inadequate responses to its questions concerning the specificity of the provincial stumpage programs." They did not have the information from Ontario. The minister did not put Ontario's case for us. They say the absence of that affected the ruling. Why would the minister go along with BC and let it take the lead instead of putting Ontario's case forward?

Hon. Mr. O'Neil: In this case, the lead was taken by the federal government, which I think now knows that the decision and the offer it made was not a good one.

PLANT SHUTDOWN

Mr. Foulds: I have a question for the Minister of Northern Development and Mines. What steps has the government taken to ensure that the recommendations of Dr. Rosehart with regard to the reopening of the Great Lakes Forest Products waferboard plant in Thunder Bay are implemented before October 31, 1986, in order to save 150 jobs?

Hon. Mr. Peterson: I am not in a position to give the—

Mr. Foulds: Unless the Premier has appointed somebody else recently, he is the one.

Hon. Mr. Peterson: Is the member asking for an appointment?

Mr. Foulds: No.

Hon. Mr. Peterson: I know that the honourable member takes these things very seriously. I am not in a position to give the specifics at the moment. There is some suggestion about capital upgrading of that facility. Discussions are still ongoing. We would very much like to see it open. I believe Dr. Rosehart brought a cooler head to prevail in those discussions than there had been there before; I am sure my friend will agree with me. We look at his suggestions as being what they are, constructive. I wish I could give an answer right now. I will keep in close touch with the member as we are closer to decisions.

Mr. Foulds: If the Premier is unable to give me specifics now, can he guarantee the people of Thunder Bay that he can give them a specific answer before October 31, 1986? Is the Premier aware that Dr. Rosehart said in recommendation 7, "Given the time constraints of equipment ordering and delivery, design and engineering, etc., it is felt that the agreements must all be in place by October 31, 1986." They do not have many days left. "If no detailed agreement is reached by that time, Great Lakes Forest Products should be allowed in good faith to dispose of surplus equipment." What is the minister specifically going to do to make sure the agreements are in place by October 31 to ensure the reopening of that plant and those 150 jobs?

Hon. Mr. Peterson: Dr. Rosehart called for some capital upgrading in that facility, given its uncompetitive nature in the past. He has been trying to sort out the various claims between the

two sides. I am repeating myself, but the member will be aware that labour-management relationships were in pretty bad shape when Dr. Rosehart—

Mr. Foulds: Not that bad.

Hon. Mr. Peterson: In the member's opinion, they may have been good, but that is not my opinion of being good. When people are shouting at each other, not trusting each other and not working together, I call that bad. I do not think my friend would want to perpetuate a system—

Mr. Foulds: What is the government doing?

Hon. Mr. Peterson: I will tell him what we have done. We brought in Dr. Rosehart. We have had some very constructive dialogue. There seems to be a meeting of the minds now with respect to some solutions. The government is prepared to play a constructive role and assist in keeping that plant open. We are determined, to the extent that we have responsibility and influence in the situation, to keep it open.

Mr. Foulds: Dr. Rosehart says in the report that the government does have a responsibility, and the Premier knows that.

Hon. Mr. Peterson: I have a responsibility for everything, as does the member. Perhaps he wants to exercise his responsibility in this regard as well.

Mr. Foulds: That is what I am doing right now. It is too bad the Premier is not.

Hon. Mr. Peterson: If my honourable friend would stop shouting at me for just a moment, I am saying we are looking for answers quickly, not in the long term. We expect we will have a determination by October 31.

Mr. Speaker: New question, the member for Cochrane South.

Mr. Pope: In other words, the Premier is doing nothing on this issue as he is doing on so many issues in northern Ontario.

Mr. Speaker: Do you have a question?

Mr. Pope: He is smiling. He is having a good day. There are 1,000 workers in northern Ontario are out of work and he is having a good day.

TARIFFS ON SOFTWOOD LUMBER

Mr. Pope: My question is for the Minister of Industry, Trade and Technology, who the Premier just turned around and said was doing a great job, a great job costing thousands of jobs.

[Applause]

Mr. Pope: Let the record show that the Liberal cabinet is applauding the loss of 1,000 jobs in northern Ontario because of its decisions. They

are a real bunch of clowns. It is a great joke when it comes to the north.

Mr. Speaker: Order. I am very sorry to interfere, but will the member please ask a question?

Hon. Mr. Peterson: Try to be civil. The Leader of the Opposition (Mr. Grossman) is nicer than the member.

Mr. Pope: He should tell 1,000 workers in northern Ontario that he is more interested in being civil than he is in fighting for their jobs.

The minister went along with a national consensus. He agreed to it; otherwise, Pat Carney would not have announced it. He never did any job studies. Can the minister tell me why this government never once fought for Ontario interests and Ontario workers? Why did it not even provide the basic information on the Ontario system to the International Trade Commission so it could make a ruling that was favourable to Ontario?

Hon. Mr. O'Neil: Here the member is talking as a former minister from the north of a previous government that saw, if we take, for example, Sudbury, Inco go from 20,000 workers to about 5,000 to 6,000 people. What did they do in 42 years? We can name other examples in the north too.

Interjections.

Mr. Speaker: Order. Is there any further response from the minister?

Hon. Mr. O'Neil: It has been estimated that somewhere between 7,000 and 10,000 sheets of paper were submitted in this documentation to fight this case. Ontario owned a lot of the sheets that were put in there. A lot of work was done in those studies.

Mr. Pope: In 1983, the previous government of Ontario was in Washington fighting for Ontario jobs and Ontario interests. They were there with the support of other provinces.

Interjections.

Mr. Speaker: Order. Here I thought you were getting along fine. If you wish to waste the time, just waste the time. I will wait.

Mr. Pope: In 1983, we were in Washington explaining the differences in policies in British Columbia, Ontario and Quebec. We were maintaining Ontario's unique interests in this issue.

In the light of this clear comment in the ruling itself that the minister failed to give adequate responses to the question concerning the specificity of the provincial stumpage programs, in the

light of the fact that he was never in Washington and in the light of the fact that the Minister of Natural Resources (Mr. Kerrio) would not even know what the Washington Monument looked like, why is no one standing up and fighting for Ontario jobs? Why did the government fail?

Hon. Mr. O'Neil: It is my understanding that when the previous government went to Washington in 1983, the member opposite did not really contribute very much to the discussions.

LEAD LEVELS

Mr. Reville: My question is to the Minister of the Environment. That lead-contaminated soil poses a grave threat to our children in south Riverdale is well known to this House. Last week the Royal Society of Canada commission on lead in the environment recommended soil replacement where lead soil levels exceed 500 parts per million and where blood lead levels in children exceed three micrograms per decilitre more than the average.

Last year the ministry tested 400 properties in south Riverdale. Will the minister advise the House how many of those 400 properties showed lead levels of more than 500 parts per million and when his ministry will replace that soil?

15:20

Hon. Mr. Bradley: The question the member raises, along with the information provided in the Royal Society of Canada's report he referred to, is very helpful to the Ministry of the Environment and right across the country in terms of assessing new thresholds the society would recommend for the removal of soil.

As a result of that and as a result of studies being done at present by the medical officer of health in Toronto, trying to relate the level of lead in the soil to the people in the surrounding area and then comparing that with other parts of the province, that comparison is going to be very useful.

The information provided by the royal society report is being considered by the Ministry of the Environment. It may alter what we have conceived to be the level at which soil should be removed. I can tell the member we have this under very active consideration now.

Mr. McClellan: That was a masterpiece of disinformation. The question was, is the minister prepared to release the data on the number of properties where the lead levels are above 500 parts per million and remove the soil? My supplementary has to do with the neighbourhood surrounding the Toronto Refiners and Smelters lead plant and the Niagara Street neighbourhood.

The royal society found properties with lead levels as high as 2,300 parts per billion.

I repeat the question—and please answer it: is the minister going to release the data showing the number of properties in both of those neighbourhoods above 500 parts per million? Second, and most important, is the minister going to set up an implementation group in the ministry to remove the soil?

Hon. Mr. Bradley: I do not know how the member defines it as disinformation. I wanted to deal with as much as possible of the question as had been asked by the member for Riverdale (Mr. Reville).

To the specific question of the member for Bellwoods (Mr. McClellan), I can tell him that will be provided; it will be provided even before the assessment that is being done by the medical officer of health. The original thought was that the assessment report by the medical officer of health and the ministry report should be one report.

What I have determined from the member for Riverdale's constituents and others is that, independent of that, this information should be forthcoming and most certainly it will be.

On the second part, about implementation, as a result of the information the member for Riverdale brought to my attention and the information to which the other member makes reference, we will be looking at the implementation of that. One has to determine what the specific level should be. I can tell the member all of that information will be very relevant to the final decision that is made.

BEER STORES

Mr. Callahan: I have a question for the Minister of Consumer and Commercial Relations. Recently there were press reports indicating that Brewers' Retail had opened a local store in one of the apartment buildings in Scarborough. There were also reports in the press that they are looking at the question of opening stores at local subway stops. My question is, are they authorized to do that or do they require authorization, and have they obtained it?

Hon. Mr. Kwinter: Brewers' Warehousing is a private venture company made up of the brewers of Ontario. They establish their own commercial leases and locations on their own. They do not require permission from the Liquor Control Board of Ontario or the Liquor Licence Board of Ontario.

Mr. Callahan: In all the material I received over the period of time when I was being lobbied

with reference to this question, they raised many of the questions that the opposition did in terms of the availability and all the horrendous things that were going to result from it. Were there ever any indications to the minister, or has the minister been advised, of these proposals by Brewers' Retail that it intends to set up stores at subway stations?

Hon. Mr. Kwinter: All members will know, because everybody was sent a copy of a brief prepared by Brewers' Warehousing, that they recommended various things they could do, and one of the things they suggested was that they could set up beer stores in subway stations on a long-term basis of extended hours. That is all I can tell the member about it.

USE OF LOTTERY FUNDS

Mr. Rowe: My question is to the the Minister of Tourism and Recreation. Last Thursday, in response to a question I asked regarding Bill 38 on the use of lottery profits, the minister stated there was no message of fear; there was no fear whatsoever. Is he aware of an organization called the Alliance to Protect Culture, Recreation, Sports and Fitness in Ontario and what this group represents?

Hon. Mr. Eakins: The only fear I know of comes from the fact that in 1983 the previous government froze the capital programs and did not provide any funding for the various programs; thus the fear that exists in this province.

Interjections.

Mr. Rowe: If this side of the House needs a mathematics test, we will ask the Minister of Industry, Trade and Technology (Mr. O'Neil), not this minister. In case the minister does not know, and obviously he does not, the Alliance to Protect Culture, Creation, Sports and Fitness in Ontario represents 85 organizations from across the province, which were not consulted prior to the introduction of Bill 38. They have written us letters about the bill. Here they are here. We have them.

Mr. Speaker: And your question is?

Mr. Rowe: They are meeting in Toronto this evening to discuss their fears. In the light of the fact that the fear does exist, and we have established this, is the minister willing to agree to pull Bill 38 and consult with these concerned organizations, many of which are made up of volunteer help?

Hon. Mr. Eakins: I have heard from many organizations throughout the province. I think it is great that they write and express the need for

assistance for their various programs, but people also know they have been getting more assistance from this government than they have ever had in the history of this province. They know, and I will meet with them.

Interjections.

Mr. Speaker: Once again, I am waiting patiently. Order.

Interjections.

Mr. Speaker: Order. We will just wait, if you want to waste the time.

SEWAGE TREATMENT PLANTS

Mr. D. S. Cooke: I have a question for the Minister of the Environment. He will likely be aware that his ministry has effectively imposed a development freeze on the east end of Windsor, including Tecumseh, St. Clair Beach and Sandwich South, because it has said it will appeal any proposals for development to the Ontario Municipal Board because of the lack of sewage capacity in the east-end sewage treatment plant. While I agree with that decision, because there is not adequate capacity, why has the Ministry of the Environment not implemented a program to adequately assist municipalities so they can afford additions to their sewage treatment plants? The cost of this one will be \$17 million.

Hon. Mr. Bradley: The member will be aware that the Ministry of the Environment—and it has not simply been this way since I have been the minister; other ministers will be aware of this as well—some time ago set up a program whereby a substantial amount of money was made available to municipalities. If the member looks at the years they were building their infrastructure, for instance, he will see some years of very high expenditures in terms of the amount of money provided. We are now getting into a period of municipal infrastructure renewal, which I think is more what we are looking for, although this is peripheral to that.

My ministry has been working on this. I have had communications with those in the area the member represents, and in addition I recently raised it under the title of infrastructure renewal at the annual meeting of the Canadian Council of Resource and Environment Ministers. Particularly in the kinds of pockets the member talks about, where there is a pollution problem, it is essential that the program of eliminating water pollution should be accelerated. It can best be accelerated if we are able to get some federal assistance or participation in this. I am mildly optimistic that we may see this as a result of the

deliberations that took place at the environment ministers' conference.

15:30

Mr. D. S. Cooke: If the federal government is not prepared to participate in this program, which is a likely scenario, will the minister be prepared to start his own program? In this specific case, would he be willing to look at the fact that if Tecumseh, St. Clair Beach and Sandwich South, as three independent municipalities, applied to this government for funding for their own sewage treatment plant, the rate of grant would be much higher than 15 per cent? Since they are operating together to save the taxpayers' money, would it not be appropriate to fund them at a rate higher than 15 per cent?

Hon. Mr. Bradley: In response to the member's suggestion, along with those that have been made—I learned this from the Leader of the Opposition (Mr. Grossman), who always used to do this when he was on this side of the House; he used to mention the members on our side of the House—by the member for Windsor-Sandwich (Mr. Wrye) and others in that area who have drawn this to my attention, we are actually in the process of developing such a program. The member has a good, serious question. The member for Windsor-Walkerville (Mr. Newman) has drawn this to my attention on numerous occasions.

As a result of the representations from all parties in this House, we are moving forward on that to a point where even the member opposite will not be critical of what we are doing in the ministry.

ASSISTANCE TO FARMERS

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. What representation has the minister made to the federal government to give it some guidance on how to spend the portion of the \$1 billion that it expects to give to Ontario farmers for assistance in the light of the United States farm bill?

Hon. Mr. Riddell: This issue was first raised at the agriculture ministers' conference held in British Columbia in the last week of August. At that time, the Premier of Saskatchewan made a very strong pitch for \$1 billion to be applied to the western grain producers.

This minister indicated to Mr. Wise that if any deficiency payments were to be made by the federal government, they should be applied on an equitable basis right across this country. We also have grain producers, corn producers, soybean growers and other growers of oil seed in Ontario

who are in just as much difficulty, because of the price and now the weather, as they are in western Canada. Representing Ontario, I asked for in excess of \$1 billion to be applied right across this country.

Then about two weeks ago, the deputy ministers met. They were saddled with the responsibility of making some determination on how the money should best be applied across the country, whether it should be by way of guaranteed loans or by way of a cash payout. They are currently working on that, but I do have the assurance from Mr. Wise that the \$1 billion is a national program and that we will get our share.

Mr. Stevenson: Can we expect a matching of dollar for dollar from this government when the allocation does come to Ontario producers?

Hon. Mr. Riddell: It is premature to say what the provincial government will be doing at this time. We have no idea what the ultimate damage will be to those crop producers because of the weather and low prices caused by the Food Security Act in the United States.

I have established a committee that is monitoring the situation; it has been for some time and will continue to do so. It will be suggesting options that we may well have to apply when we find out how extensive the damage is. We will be working very closely with our federal counterparts, and we will see what can and has to be done for the farmers of this province.

INSURANCE RATES

Mr. Swart: I believe the Minister of Consumer and Commercial Relations is somewhere within the precincts. I wonder whether he would take his seat. I would like to pose a question to him on insurance again.

Given that it has been 20 months since the insurance companies started to implement their tremendous rate increases and their unjust policies with respect to auto insurance and liability insurance, given that the minister has not yet lifted a finger to impede them in that and given that it is about six months since Slater reported, I wonder whether the minister can tell us when he will be introducing new legislation or a policy to stop these blatant abuses of the public by the insurance companies and what may be the main features of that legislation or policy.

Hon. Mr. Kwinter: The member will know that Dr. Slater released his report on May 9. I then welcomed response to his report, because it was a report to government and not a report of government. I invited the general population, the insurance industry and the legal profession to

address his report and gave them until the end of August to do so. We received close to 200 responses. The superintendent of insurance is now analysing those and making a recommendation, which I will be bringing forward as soon as I can.

Mr. Swart: I am appalled by the indifference in that answer to the timing and to the fact that the minister has not intervened at all during this long period. Does he mean he cannot even tell us at this late date whether he is going to stop such injustices as rates based on age, sex and marital status, all drivers in one household being penalized for one driver's record and drivers being forced to go to facility insurance for frivolous reasons? Apart from the fact that the minister could and should have acted on these a year ago, is he telling us he has not even made up his mind on any of these important issues yet?

Hon. Mr. Kwinter: I should tell the honourable member that certain things have been done. We have looked at the whole area of age, sex and marital status. We have asked the industry to compile data eliminating those criteria. We have set up, and helped the schoolboards set up, reciprocals, as I am sure the member is aware. We have worked on a plan whereby we can provide liability insurance to manufacturers doing business in the United States. We are well on our way to implementing a Canadian insurance exchange.

We have done a whole host of things, but I should say we on this side of the House do not go off half-cocked until we have the facts; and when we have the facts, we will act.

Mr. Harris: On a point of order, Mr. Speaker: Under standing order 29(a), I question why you recognized the member for Brampton (Mr. Callahan) instead of the member for York East (Ms. Hart) to ask why the Minister of Health (Mr. Elston) kept secret the outbreak of salmonella poisoning in Toronto East General and Orthopaedic Hospital in her riding today.

Mr. Speaker: I do not think that is a point of order. The Speaker has a right to recognize on a rotational basis any member in this chamber during question period. That is the reason I did it. It is not debatable.

Mr. Harris: I am not challenging your ruling. There seemed to be some concern about standing order 29(a).

Mr. Speaker: Order, with respect.

15:40

INTRODUCTION OF BILLS

TRACO INVESTMENTS LIMITED ACT

Mr. McFadden moved first reading of Pr38 ,
An Act to revive Traco Investments Limited.

Motion agreed to.

Mr. Speaker: I ask all members to refrain from private conversations. I may ask them the name of that bill.

PENSION BENEFITS AMENDMENT ACT

Mr. Mackenzie moved first reading of Bill 137, An act to amend the Pension Benefits Act.

Motion agreed to.

Mr. Mackenzie: This bill provides that where private pension plans provide for bridging supplements, members of the pension plans, rather than employers, will benefit from changes in the Canada pension plan providing benefits to persons before they reach the age of 65. In other words, if you have a private plan, it cannot be reduced on the basis of the early retirement through the Canada pension plan.

This legislation, I might point out, is similar to that which Quebec passed a couple of years ago to protect workers from the same kind of move in that province.

ONTARIO LOTTERY PROFITS AWARDS COUNCIL ACT

Mr. Grande moved first reading of Bill 138, An Act to establish the Ontario Lottery Profits Awards Council.

Motion agreed to.

Mr. Grande: The bill creates the Ontario Lottery Profits Awards Council to deal with the profits of provincial lotteries and to promote cultural, multicultural and recreational activities.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

Hon. Mr. Nixon: Before the orders of the day, I would like to table the answers to questions 250, 290, 335 and 377 standing in the Orders and Notices [see Hansard for Monday, October 27].

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Harris moved that, pursuant to standing order 37(a), the business of the House be set aside so that the House might debate a matter of urgent public importance, that being the imposition by the United States government of a 15 per cent countervailing tariff on softwood lumber products, the Ontario government's abysmal

failure to represent Ontario's interests in this matter and the effect this decision will have on the softwood lumber industry of Ontario.

Mr. Speaker: The notice of motion was received at 5:22 p.m. on October 16, 1986. It was received in time and it complies with standing order 37. I will listen to the honourable member for up to five minutes, as well as to representatives from the other parties for up to five minutes.

Mr. Harris: To all members of the House who were in this Legislature on Thursday and heard the minister proudly announce the wonderful achievement that it was only a 15 per cent countervail; to all those who have seen events that have occurred over the weekend, and to those who are in the Legislature today, it is pretty obvious why this debate must proceed.

It is unfortunate that the government, the Minister of Industry, Trade and Technology (Mr. O'Neil), the Minister of Natural Resources (Mr. Kerrio), the Premier (Mr. Peterson), the Treasurer (Mr. Nixon) and anybody over there did not comprehend and did not understand what was happening. This matter has been raised by the member for Kenora (Mr. Bernier), the critic for our party, on several occasions by way of press release and statement in this House. He pointed out to the government what was happening and that the government should be intervening on Ontario's behalf.

What appears to have happened is that the two ministers involved—the minister for ruining trade and the minister for ruining our resource industry—called together a meeting today, we understand, of the forest industry in Ontario so that they could understand the issue better and could face this Legislature today in question period, and so that they could participate in this debate in some meaningful way. It is too bad they did not take that time a year and a half ago, a year ago, six months ago or five months ago to understand the issue.

Why did the minister have to call them all down here today to help, so he could participate in this debate with some form of intelligence? Unfortunately, it was too little, too late because, from the answers we heard at question period today, he still has a long way to go to understand this issue.

We saw evidence in the decision that was handed down that the parts that were missing were on information they wanted to see on the provincial crown dues on stumpage, on forest management agreements and how much companies were actually paying for Ontario timber.

That information is key and germane to Ontario's position. It is the information that in 1983 overrode what was happening in British Columbia and what was happening in Quebec. It was Ontario's position that in 1983 caused the people in the US to say: "Yes, you are right. There is no subsidy."

The minister failed to put forward that position. What appears to have happened is that BC, as we know, has the federal minister's ear, but Ontario could have the minister's ear if it would speak up. He talks about Pat Carney, the federal minister, not putting forward our case. How the hell could she, if she did not have the information? What information did he give her to put forward the case? We have already said we think it is a stupid way to proceed anyway because, as we know, Ontario is different from BC.

We know, and the US accepted in 1983, that the stumpage charges and the crown dues here in Ontario are considerably higher than they are in British Columbia; so if BC has a problem, it can solve that problem by increasing its own stumpage dues. Those two jackasses do not have to jump on the bandwagon—

Interjections.

Mr. Speaker: Order.

Mr. Harris: I withdraw the word "jackasses."

We have seen no evidence of the Ontario government putting forward Ontario's position. We had a lame-duck excuse today that a year ago the Premier brought it up. Was he so ashamed of the way he brought it up that he did not tell the media and he did not come back and tell anybody? Did he have some secret meeting a year ago that nobody knew anything about? Where was the Minister of Natural Resources, where was the Ministry of Industry, Trade and Technology, where was the Premier and where was the minister of anything, putting forward Ontario's position? It is a disgrace.

Obviously, we should have had an emergency debate a year ago or six months ago to educate those clowns about what is going on. We will have it today and we will have the information out there for the Ontario public, but more particularly, so that the ministers can learn what is going on and perhaps represent us a little better.

15:50

Mr. Laughren: I support the motion as put forward. I believe this emergency debate is absolutely necessary if for no other reason than to help this government come to a decision and

work out a response to the announcement of the 15 per cent countervailing duty on softwood lumber.

It seems as though the government has been asleep at the switch. I believe very strongly that it is no coincidence that this government talks not at all about this issue, despite the fact that the Minister of Industry, Trade and Technology had already agreed to having a 10 per cent increase in stumpage fees when the federal government went to Washington, cap in hand, on bended knee, as it were. I find it truly amazing that that was never discussed in this chamber. I do not recall either the minister or the Minister of Natural Resources standing in their places and telling us the decision or concession they had made to increase the stumpage fees.

It is important that this government have an adequate response to what I would consider an emergency, particularly in northern Ontario, but this will not just affect northern Ontario. There is also no guarantee that this countervailing duty will end with softwood lumber products. It comes from the same trees as very often make the pulp and paper and for which there are stumpage fees. There is no question that we are in some difficulty in northern Ontario. The north is already reeling from a series of layoffs and shutdowns, and we did not need this latest news.

It is no coincidence that this announcement coincides with the ongoing talks on bilateral free trade negotiations. There is absolutely no evidence that this government opposes those negotiations. On the contrary, this government seems to be very comfortable with what the federal Tories are doing with Washington. It seems to be extremely comfortable.

That is why I find it passing strange to hear my colleagues in the Conservative party in Ontario ranting and raving at the Ontario Liberals when it is their masters in Ottawa who have initiated these free trade talks and the 10 per cent increase in stumpage fees. It is a bit hypocritical for the Tories to be doing that.

What is important for us in this chamber is to try to extract from the government what it intends its response should be. We need this debate so that people in Ontario will learn just what the government's position is. We need to answer a number of questions.

We need to know whether the provincial Conservatives, the official opposition in this chamber, continue to support Prime Minister Mulroney's free trade negotiations, given the fact that they cannot separate this countervailing duty action from the free trade negotiations. Let

us not kid the troops that one can make a distinction.

Do we know whether the Ontario Liberals are having second thoughts on the whole question of free trade negotiations? Why did the Ontario Liberals agree? Why did the minister agree to the 10 per cent increase in stumpage fees? He had absolutely no economic data to support the 10 per cent increase in stumpage fees. Why did we hear nothing from the government until the 15 per cent duty had been imposed by the United States?

There was no question that a decision was forthcoming. We knew that, and yet all we got was a weak-kneed response from the government and a wringing of hands. There seems to have been no work done prior to the announcement being made. If any work was done, it was so inefficient and inadequate as to have no effect at all. I suspect that acquiescing in that 10 per cent increase in stumpage fees was the only signal that was needed by Washington. Then they could say to themselves: "Look, we have them on the run now. They admit this is a subsidy. All we are debating now is the level at which we will impose the countervailing duty." That is exactly what happened.

Finally, it is important that we find out today whether this government is prepared to tell the American government that we will no longer engage in this shameless sellout of Ontario's resources and that the Americans can pull that Trojan horse across the border without our help.

Hon. Mr. Nixon: We have no objection to the debate proceeding. It probably would not make much difference if we had. Certainly, this is a matter of urgent public importance. It came to the attention of the Legislature late last week and this is the first opportunity we have had to have a thorough airing of the matter.

Frankly, I cannot understand why there have been so many pejorative adjectives used by the opposition parties when they had every opportunity to listen to the informed explanations put forward by my colleagues the Minister of Industry, Trade and Technology and the Minister of Natural Resources.

Obviously, they have the matter well in hand and have been dealing with their provincial counterparts and the federal minister in a responsible and effective way. It is a difficult matter for a provincial minister to deal on any kind of a basis with the federal department and the US federal government. We have protected and will continue to protect the jobs in our jurisdiction, as well as the resource capability of northern Ontario.

That has fallen into disrepair in recent years, but we know these two ministers in their effective responses to this issue, as to other issues, have shown in a real and useful way that the government of Ontario is in possession of the facts and is dealing from a position of knowledge with the other provinces and the government of Canada, particularly with Miss Carney, the Progressive Conservative federal minister, who is dealing on behalf of the nation.

There is no reason at all why this should not be further aired. The one thing that does concern me in setting aside the regular business, very important business indeed dealing with the revenue base of Ontario, is that, as soon as it is decided that a matter of urgent public importance is to be discussed, almost all the honourable members leave the place. As a matter of fact, it is clearly understood the debate is going forward, but as I look at the ranks of the Progressive Conservative Party, I see a sea of empty blue chairs with a few red polished apples sitting in place. I do not want to indicate in any way that they are anything less than totally sincere in this matter, but it seems to me, if the matter is as bad as they have suggested, it might be worth while if their members were here to support the one or two members of the north who will be speaking.

Believe me, I do not want in any way to downgrade the importance of this matter. The minister has indicated his researchers verify that if it goes forward with the 15 per cent countervail, jobs will be lost in this province, in British Columbia and elsewhere, and that we have to take whatever effective action is open to us. We have to remember, however, that we are not the government of Canada. We do not deal on a bilateral basis with the government of the US, but there are many things we can do.

I think the honourable former minister, who feels his personal abilities have saved the day in the past, is still refighting some old campaigns. I do not think it sits well on him to undertake such a role for himself. Once again, not for a moment would I denigrate the fact that as the former minister, as a northerner himself and as a lawyer in one of the important northern towns, his knowledge is useful to the House in this regard, and we would be very glad to hear of it as the debate proceeds.

Speaking as the House leader for the government party, not only do we have no objection to the debate proceeding but also we think it is a useful exercise of the rules of the House.

Mr. Speaker: We have a motion before the House. I have listened carefully to the interesting

comments, which are most worth while, and I draw the conclusion it is the feeling from the members that this debate proceed. However, I have to put the question, shall the debate proceed?

Motion agreed to.

Mr. Speaker: I remind all members who wish to speak that they have up to 10 minutes to speak.

16:00

TARIFFS ON SOFTWOOD LUMBER

Mr. Pope: The Deputy Premier (Mr. Nixon), having questioned the sincerity of the members of this House for not being present, promptly picked up and left the chamber, leaving two cabinet members in the chamber who are concerned enough about this issue.

Also, in condemning others for using adjectives today, he managed in his own way to question the sincerity of anyone who might want to disagree with the process and with the decisions his government made on this matter recently. Second, he indicated that anyone who is a former cabinet minister is colouring the past and attempting to fight old battles on personal glories.

The member for Nickel Belt (Mr. Laughren), part of the alliance, agrees with that. He is satisfied with what his alliance colleagues have done for northern Ontario on this matter; I can see that. His exercise in self-justification and congratulations was heartening to the people of Chapleau and Foleyet, who depend on the lumber industry for their jobs.

I never claimed I had personally changed the decision of the International Trade Commission in 1983. I indicated quite clearly in this Legislature to the ministers who wanted to listen that I was part of a team that involved the private sector, the industry, the unions and other provincial governments.

I also made it quite clear that our position on this matter in 1983 was completely different from the strategy the present government has adopted. In 1983 we felt that because it was provincial policies that were under attack, not federal policies, and because it was a provincial natural resource base that was under attack, which is our jurisdiction under the Constitution, Ontario had a role to play, we had a point of view to express on our own behalf. That vision was shared by a number of provincial governments across this country.

That is why Tom Waterland from British Columbia was in Washington on his own behalf, on behalf of the government of British Columbia.

That is why Bernard Landry, the external trade minister from Quebec, was in Washington on his own behalf on a number of occasions, on behalf of his own government.

It was not done unilaterally by the Ontario Minister of Natural Resources of the day on his own initiative. It was done in consultation with the forest products industry and with the unions. It was done at the request of those people who had so much to lose from the countervailing duty application. It was done in concert with the International Trade ministry in Washington, and it was done in consultation with Allan Gotlieb, the ambassador to Washington.

Mr. Fontaine: The feds were not there.

Mr. Pope: The feds were there. The member for Cochrane North (Mr. Fontaine) was not in Washington at the time. He was not involved in the discussions at the time.

It is clear that at all turns we had the co-operation and support of the international trade ministry, which understood our position: we would not be part of a national consensus; we would not be part of a retreat on Ontario's sovereign right to set its own stumpage fees and collect crown dues under the provincial jurisdiction given to it under the Constitution.

We also worked with Herb Fierst. We worked with him at the request of the member opposite and at the request of the industry in the province and at his request. We always underlined, including in front of Mr. Baldrige, the Secretary of Commerce, our right as provinces under our Constitution to deal with resources.

We underlined our right alone to speak as one province, to put forward our points of view and our respective interests as provinces vis-à-vis the stumpage rates and other provincial government policies that might have an impact on the hearings. We always put forward our point of view on the potential impact of this countervailing duty on our workers, on the industries and on the one-industry communities across northern Ontario and in eastern Ontario.

That was the message this government should have brought; there is no doubt. The Minister of Industry, Trade and Technology (Mr. O'Neil) can colour it in this House any way he wants. We have enough clear information to show that he acceded to the eight to 10 per cent solution announced by Pat Carney. He was involved in it before it was announced in Washington or in the House of Commons. We have information on that. Afterwards, he acceded to it and defended it. He was part of it.

If he was not part of it then, why would he attack it only today? Why would he not attack it on the very day Pat Carney announced it? If he were not part of it when she stood up in Parliament and announced it, why would he not pull out of this national consensus?

The member for Cochrane North, who is now interrupting, has said up north that this is not an issue we can be partisan about. In other words, is he saying that on any issue in which this government messes up the future of so many working people in northern Ontario, the opposition has no right to comment on that strategy or to criticize the government?

It has been clear since 1962 that the number one complaint in the United States stems from the crown dues practices of British Columbia. From 1962 onwards, there have been investigations in Congress and by the International Trade Commission, principally at the complaint of the Pacific northwest, with respect to the British Columbia system.

In 1973, we had a similar investigation by a presidential panel. The conclusion of that panel was to ask directly for a commitment by Ontario lumber producers to supply the American market. In the late 1970s, there were further investigations by the International Trade Commission, again with respect to British Columbia. We have not yet received answers from this government on why it was part of a national consensus when the major problem was British Columbia.

The second point that is clear is that this is not just a quasi-judicial process, as the minister will stand up and claim. Any reading of the background of this issue will show that the 1982-83 application was instituted by Senator Packwood through the House ways and means committee. If the member will go back and read history, he will see that the entire issue in the 1980s was initiated on a political level by Senator Packwood to react to complaints in his home state with respect to the British Columbia situation. If the minister does not believe that, I have documents from 1982-83 to substantiate it.

The minister knows very well that Senator Packwood has been pressing all along. He knows very well that one of the complaints of the Ontario Lumber Manufacturers Association and of Herb Fierst in Washington has been the political interference in the process, the letters from congressmen trying to put pressure on Malcolm Baldrige, the Secretary of Commerce, and a threat by Congress to take action if the International Trade Commission will not. He

should not sit back and tell me this is a quasi-judicial process and therefore politicians had no role in it. The industry, the federal governments, the American governments and Malcolm Baldrige himself did not believe that in 1983; that is why they asked us to go and see Malcolm Baldrige to present the provincial point of view in Washington. That is why Bernard Landry, Tom Waterland and I went.

It is not just a quasi-judicial issue. There are so many other elements, and that is why it was so important for the minister as our representative, as a representative of the people who work in the bush and in the sawmills of Ontario, to be in Washington, to make our case directly, as we did, to Senator Cohen of Maine and Senator Packwood, who have so many legitimate concerns about their own industries and employment in their states. That is why it was so important for this province to have a unique point of view, a position and representation in front of Malcolm Baldrige and in front of the International Trade Commission staff. That is why it was so important for this government to stand up for the people of this province.

My only complaint about the minister's conduct in this matter is first, his change in his position after the fact is too late. Second, he has not made information available to us. He still has not. My office called his offices on Friday afternoon and asked specifically for documentation and information surrounding the eight to 10 per cent solution offered, and we were told he would not produce it. We were not told it did not exist; we were told he would not produce it. As members of the Legislature, with thousands of jobs at stake—

Interjection.

Mr. Pope: Yes. The minister owes more to the people of this province than what he has done in the past six months.

16:10

The Deputy Speaker: Before the next member commences, may I point out that the apples on the members' desks are to be taken outside the chamber for devouring.

Mr. Laughren: I appreciated the comments of the member for Cochrane South (Mr. Pope). I appreciate that he knows a considerable amount about the issue and was involved in this when he was Minister of Natural Resources. However, I must say it would have been a spectacle if he had still been the Minister of Natural Resources while his federal Tory counterparts in Ottawa were negotiating the 10 per cent increase in stumpage

fees, which signalled to the Americans that there was a subsidy on our softwood lumber.

It would have been a spectacle to have witnessed the member for Cochrane South standing up to his colleagues in Ottawa any more than the Minister of Industry, Trade and Technology or the Minister of Natural Resources did during these negotiations. That would have been something to behold. I believe that loyalty to the Tory party would have overcome the member and he would not have stood up to Pat Carney in Ottawa or to anybody in Washington either; after all, the member for Cochrane South is a young Republican; that should be kept in mind.

I feel very strongly that the debate is necessary this afternoon to flush out just where the Ontario government stands on this issue. At this point, we do not know. Both ministers involved and the Premier (Mr. Peterson) are wringing their hands about how awful it is to have this 15 per cent countervailing duty imposed and how they will fight it—after the fact, of course. That they did not fight it ahead of time speaks volumes about how they have acquiesced in the face of the federal government's free trade initiative.

Right from the beginning of the free trade talks, the Tories in Ottawa, and to a certain extent the Liberals in Ontario, have had an inherent belief that if only we let the marketplace look after it in the form of free trade, our economic system will become lean and mean and we will be able to compete in a better way with other countries in the world. I could see that argument being made with some validity if we were talking about trade among equals, but how in the world does one ever come to the conclusion that an economy 10 times the size of Canada's will compete with us on an equal basis, given that it has the enormous advantages of huge production runs, a huge domestic market and leverage on power and investment decisions?

One has to be dreaming in Technicolor to think we can negotiate a free trade agreement with the Americans and not get hurt. We are not dealing with equals. That is why I have thought from the beginning that both the federal Conservatives and the Ontario Liberals were foolhardy in their belief that the invisible hand of the marketplace would look after any problems that might arise.

The Ontario Liberals seem to think that while there would be some dislocation as a result of free trade, whether it were the softwood lumber issue, pulp and paper or shakes and shingles on the west coast, we could tough it out and handle it. There would be dislocations but we could handle them. They should say that to the 5,000 or 6,000

lumber workers in northern Ontario who will be affected by this decision if it stands. That is just the lumber workers directly employed and does not deal with the spinoff jobs that will be lost as a result of this. These numbers are not mine; they come from the Ontario Lumber Manufacturers Association, which must know the impact this will have on the industry.

We are talking about a part of Ontario that is still reeling from layoffs and shutdowns and that has an unemployment rate approximately double that of the rest of the province. If we have two Ontarios out there now, there will be two Ontarios in spades if this decision takes place.

The acquiescence of the Minister of Industry, Trade and Technology with the 10 per cent decision is the most shocking thing that has come out of this debate so far. I appreciated his candour this afternoon, but it was a remarkable confession that he acquiesced in the 10 per cent solution on the stumpage fees. We happen to believe, and we said so in this party's report on forestry a couple of years ago, that stumpage fees are too low, not just in Ontario but elsewhere in this country. Did the previous Tory government ever do anything about those stumpage fees so that new moneys would come to the people of Ontario and not to the people of the United States? No. They were quite happy with their friends in the industry to leave the stumpage fees at the level they were at.

I am worried about what is going to happen in northern Ontario now, because I do not know what is next. I cannot see any guarantees that pulp and paper will not be next. If stumpage fees are too low for lumber, are they too low for pulp and paper as well? There is a striking similarity between the trees used for softwood lumber and the trees used for pulp and paper. What is next in terms of the social services we offer, medicare in Ontario and unemployment insurance and pension plans federally? Who is to say? I think it is outrageous.

While I may think stumpage fees are low, at least they are set by this jurisdiction as a sovereign province within this country. I find it extremely offensive for someone else to tell us we have to raise our stumpage fees. I may do it myself, but I sure am offended when I find the United States telling us what to do.

We know this decision is serious. We know 70 per cent of softwood lumber is exported to the United States. We are talking about a \$600-million business every year; so this is a major decision. It is going to be a real test of this

government's mettle, particularly about how it will handle problems in northern Ontario.

So far, the government has been able to get away with some smoke and mirrors. It has shifted a few civil servants to northern Ontario, but as yet this government has done nothing fundamentally different for the north than was done by the previous government, absolutely nothing. Until this government understands that the economy of northern Ontario is structurally unsound, is anything going to change?

Until this government understands there is an opportunity to replace a lot of the imports that come into northern Ontario now—I am thinking of resources machinery, both mining and lumbering; we import so much of it. There is an opportunity there, but this government shows no willingness to tackle that very thorny problem of replacing imports that we buy from around the world where we have a very substantial domestic market.

The ministers involved have a great deal to answer for. If this decision stands, they are probably going to have more to answer for when those one-industry communities dependent on the lumber industry come knocking on the door. I heard the Premier saying in those communities up north: "We do not have the answers. You are going to have to come up with your own answers. The solution is in this community, not down at Queen's Park."

That sounds great, and the Premier got some very good press as a result of those statements. I suppose the Premier can write off northern Ontario that way if he likes. The southern press is not at all sympathetic to the problems of the small communities in northern Ontario. The government has to understand that two Ontarios are developing out there; one of them is down here and the other one is up north where we have such massive unemployment and such enormous social dissipation as a result of that unemployment.

This party is opposed to the free trade talks. We believe they are not in Canada's interest and not in Ontario's interest, but we have laid out some alternatives. We have just not opposed the free trade talks. Six recommendations flowed from the select committee on economic affairs. My colleague the member for Hamilton East (Mr. Mackenzie) was on that committee.

These were the six recommendations:

1. Drop the free trade objective even under the General Agreement on Tariffs and Trade definition;
2. Drop the comprehensive nature of the talks;

3. Use the negotiating teams already put together to help resolve the current trade disputes;

4. Put in place an ongoing bilateral mechanism for resolving current and future trade disputes;

5. Stop acting on the philosophy that everything is on the table;

6. Start with nothing on the table, then bring forward those critical disputes that need such resolutions.

It seems to me that is a much more sensible approach to the free trade negotiations. What we are seeing here today, and the result of this announcement of the 15 per cent countervailing duty, could be just the tip of the iceberg. There is no guarantee we will not see a lot more of this. If this government thinks it is reeling from this decision, I shudder to think what is going to happen in the future. It appears that this government has been caught short and has not been prepared for this kind of decision.

16:20

Hon. Mr. Kerrio: I rise to participate in this emergency debate. We agreed unanimously that the time should be set aside, that there was no question about it being an urgent concern, not only to all members of the Legislature but also to all the people in Ontario.

A countervail decision by the US Department of Commerce threatens one of the most significant assets of this province. The forest industries represent a net value of more than \$2 billion to the economy of Ontario annually. Their vitality is important to the economic wellbeing of the province as a whole and northern Ontario in particular.

The US decision causes grave concern to us as a government and to the forest industries, which are in partnership with us in our opposition to the tariff. Our position is firm. The ruling by the American government is unacceptable. Our position has not changed. It is the US Department of Commerce that has changed its mind in a sense.

In 1983 the Department of Commerce ruled that the Canadian stumpage systems were generally available and could not, in effect, be a subsidy to the forest industries. Since then, the systems have not changed, and stumpage fees in Ontario and other provinces have increased considerably, by as much as 25 per cent in Ontario alone. I find it very difficult to understand the logic behind the about-face of the US government in making this decision on the stumpage systems relating to countervail.

For instance, in the preliminary determination, the benchmark price for all Ontario and Quebec is based on the private sale of trees in New Brunswick. In New Brunswick, the situation is markedly different in that wood is closer to roads, markets and mills and the species of trees are very different. In many cases, New Brunswick's wood is in farmers' woodlots, which makes it even more ludicrous that it would be used as a benchmark for comparison. How can any reasonable person compare these trees to the ones north of Hearst or Cochrane, for example? Equally, the ruling for the vast area of British Columbia and Alberta forests is based on a small volume of auctioned timber in BC.

The Americans themselves have said this is one of the most complex countervailing duty cases ever undertaken in the US. We also think it is one of the most confusing and the most unfair. Economists have not yet determined exactly what the imposition of a countervailing duty will mean to the industry in Ontario and across the country. It will certainly disrupt the industry's share of the US market in the long term.

We are determined to make the strongest possible arguments against a tariff to ensure the protection of Ontario industry and Ontario jobs. I am very pleased also to tell you that we are not taking the defeatist attitude that exists on the other side. We have not given up and we are not talking about any jobs lost in northern Ontario, because we expect to win this countervail determination.

We have been persistent in making the case for Ontario and Canada since this government took office. One of my first official duties as the Ontario Minister of Natural Resources was to meet with provincial and federal ministers in Ottawa in 1985 to discuss our opposition to any proposed tariff on wood products. Since then, I have criss-crossed the country in frequent meetings with my provincial and federal counterparts, making our position very clear.

Since May 1986, officials of industry and government across this country have worked on this issue full-time. No one can say that this government has failed to do its utmost to put forward the case against the tariff. Ours has been a strong and consistent effort.

The response to the 1982 campaign by the US lumber industry for a protectionist policy directed at Canadian products was carried largely by the Canadian lumber industry, with the support of government. As much as the member for Cochrane South would like to have people believe it, he did not participate in a way he can

take any credit for, except that BC sent a minister and they thought it was in the best interests of Ontario that one should be along. He did not take the initiative in any way. The industry itself opposed the countervail. He was there, for whatever reason, and followed the direction of the people who led that countervail.

This time, industry and government are working closely together to provide a united front. I spoke earlier this afternoon about how crucial solidarity is in our effort to fight the US decision. We must maintain a common front. Without it, we weaken our impact. Without it, we play into the hands of the powerful US lumber lobby and congressmen.

Ontario felt so strongly about the need for unity that we went along with the consensus view developed by federal, provincial and industry officials last month in Toronto. During discussions, we made it very clear that we have very serious reservations about the precedent established by offering a settlement before the US had made its preliminary decision on the tariff. The Canadian offer was rejected, but the united front remains.

Let me remind the members who may think it would be in Ontario's interest to go it alone on this issue that tariff duties and export taxes are the responsibility of the federal government. Parochialism simply will not wash in this kind of situation. I should not have to remind members that many of our forest companies operate in more than one Canadian province. This is not simply a problem for the softwood lumber industry; it is a threat to the whole forest industry. We have to have a united front. That industry is complex and interrelated in structure. In terms of export, one sector affects the other, which is one more reason why we need a Canada-wide perspective.

As I told this House during statements, officials from this government meet today with other provincial and federal officials to discuss strategy. Tomorrow I will meet with fellow ministers from other provinces and the federal government to carry on these most important talks. Earlier today, the Minister of Industry, Trade and Technology and I met with senior representatives of Ontario's forest industry to make sure they understood the problem and where we were going.

This government has its strongest support in our position on countervail. We think we have a solid case. We know we are fighting against a tide of protectionism such that we have not seen in a good long time south of the border, but we

will fight and we will fight hard. We believe, for instance, that consumers in the US who will be adversely affected by an increase in the price of Canadian wood products and their domestic manufactured lumber have yet to be heard from with their strong views on this matter.

We also know we have the support of the people of Ontario and Canada in our fight against this unjust and discriminatory decision. I can assure this Legislature we will pursue this issue with all the resources at our command.

I have a couple of personal observations that I think are worth putting on the record. The member for Cochrane South made some comment about where we were and what our position was. I will read something from a report in 1983 after the member for Cochrane South had been interviewed. He said that his meeting with the US Secretary of Commerce did not give him any reason for optimism and that thousands of jobs would be lost in the province if duties were imposed on it for an extended period. He also made some comment relating to Ontario's position in representing our province in the countervail.

I would like to read something else into the record from the very same report that has been handed down from the Department of Commerce International Trade Administration. On page 18—and I hope the member for Cochrane South reads this because he should read it into his record—talking about stumpage, it says: "Again, however, we note that except for information from Ontario, the Canadian government failed to supply actual data on the product specifically produced for each of the major holders of stumpage rights. Ontario made its position very clear."

Mr. Wildman: Does the minister not understand that supports the position of the member for Cochrane South? It does not go against it.

Mr. Davis: At least we gave them the information.

Mr. Speaker: Order.

Hon. Mr. Kerrio: We gave them the information. That is precisely what they said. Except for Ontario, no one else had given the information. Our information was there and in the kind of order they needed.

The other comment I want to respond to is in a news release that was given by the member for Cochrane South. He made some inference that I was satisfied with a 15 per cent report. I certainly was not and made no comment in that manner. I would like to read this back into the record because it is very important: "The fact is that

there was some 37 per cent requested and 15 per cent came down. It is subject to appeal and we are prepared to share that information." This was given strictly as information. There was no comment indicating that I felt one way or the other about that issue. It is important that should be noted.

16:30

Mr. McClellan: On a point of order, Mr. Speaker: The minister has read selectively and is refusing to read the interjection which follows that excerpt from the Minister of Industry, Trade and Technology, who indicates that a great deal has been done—

The Acting Speaker (Mr. Morin): That is not a point of order.

Hon. Mr. Kerrio: That has nothing to do with the comments I had made.

The Acting Speaker: This is not a point of order. Please continue.

Hon. Mr. Kerrio: The fact of the matter is that Ontario was the only province that provided the kind of information that was necessary to make that kind of an assessment. It was done. I refuse to accept someone saying it was not.

Mr. Pope: On a point of privilege, Mr. Speaker: The minister can engage in revisionism all he wants. I heard him from my office with respect to my involvement in 1982 and 1983 in the last International Trade Commission hearings. Fortunately, precisely because of what I have seen out of this governing party in the last year, with respect to my involvement I kept records.

The records show clearly that the initial meetings I attended in 1982 and at the beginning of 1983 in Washington were at my own initiative, on behalf of Ontario. They included meetings with Senator Cohen and Senator Packwood and arose out of the ways and means committee report that was sent to me by Al Peacock on March 25, 1982. That started this, and my own notes from that day indicate that I asked staff to arrange a meeting with Senator Packwood with respect to his involvement before the House ways and means committee.

Second, by April 22, 1982, we were getting daily updates from Rufus Yexus in Washington on what was happening with respect to this countervail lumber case. They were at our initiative, not at anyone else's initiative; on the initiative of the government of Ontario, which was worried about it.

Interjections.

The Acting Speaker: Order. I remind the member that is not a point of privilege.

Miss Stephenson: Having been a member of cabinet in 1982 and 1983, I recall with some clarity the degree of concern that was expressed by a significant number of cabinet ministers and the degree of activity that was undertaken because of the concern which was clearly understood and clearly felt on behalf of the people of northern Ontario.

It is interesting that the Treasurer (Mr. Nixon) suggested there was a lack of concern about this issue within the Tory party in Ontario as he looked across at this side of the House this afternoon. I understand he does not have eyes in the back of his head and he could not see the sea of blue behind himself at that point, but if he is watching on television right now, he should be able to see there are very few members of the Liberal Party present. I suggest to the honourable whip for the Liberal Party that the one elected member from the north in the Grit party is not there at all and the one who is not elected is not there either. There really does not seem to be a great deal of concern on their part either.

It does no good to cast stones and that is precisely what the Treasurer was trying to do this afternoon, unhappily. The stones, unfortunately, will come back. Unlike ordinary stones, they will come back and they will haunt the government of Ontario for its total lack of involvement in this very important subject at this time. They have had a long period of information during which they should have been mustering their strength, gathering their resources and ensuring that their presence would be felt, not just in Ottawa and in the other provincial capitals, but also in Washington where all this noise is going on.

Maybe it would be helpful if they understood the reason for all this. I think the reason for most of the problem at present is the fact that not only do we have a congressional election coming up in November, but we have as well the failure of American lumber companies to succeed in terms of increasing their market share within their own country.

Unfortunately, the state governments and the federal government in the United States did not do what the provincial and federal governments were persuaded to do by the Ontario government during the bad period of recession, during the downtime; that is, to encourage and stimulate the large companies to invest in their plant, to improve their situation, to reduce pollution and to improve their capacity and their productivity.

By the time the recession was leaving our consciousness as an acute period of our lives, the companies in Ontario were much better fitted to encroach upon the market within the United States in a very positive way. There was a very dramatic increase in the part of the market share which was seized during that time by Canadian companies. It was due to the increased productivity of Canadian companies, the increased capability of Canadian companies as a result of the stimulation which they had been given to ensure that they would be more productive and would be able to compete in that market in the United States. They did it very well, and there is no doubt about that at all.

There can be no doubt because the companies and the states are now beginning—or began, actually, in 1983—to be concerned about it and have continued to be concerned about the fact that they have not been able to compete as effectively as they would like to compete. Although they would like to compare apples and oranges in a way which cannot be done, they believe there is some particularly acute subsidy right throughout Canada. It was proved to them in 1983 that this was not so in Ontario. As a result of that proof, the burden of which was carried by the Ontario government participation within the discussion groups—and there is no doubt that within the discussion groups there was a different, more rational test—the rationality has obviously been somewhat eroded by the imminence of yet another congressional election. There is a problem with that, and there is no doubt about that at all.

However, there was no reason for Ontario to concede that it should be a part of what appeared to be a strategy based only on the British Columbia position. For quite a long time, the British Columbia position has been known to anyone who is interested to be very different from that in Ontario and to be potentially problematical for the issue of increased, improved or rational trade in this commodity between the United States and Canada.

It was the responsibility of the Ontario government to ensure that the federal and the provincial people in Canada understood that our situation was not that of British Columbia and that we could not suggest that an increase of 10, 15 or any per cent in stumpage or any other mechanism should be introduced. If this is the rationale of the Premier of British Columbia, that is his problem, not ours.

I understand the position of the Minister of Natural Resources, who says we cannot be

parochial and we have to be national. We have to be national, but we also have to be concerned about what happens within our own provinces. Within this province, which has been the leader in this country in terms of co-operative effort between governments and companies, I believe it would have been wise had the government simply taken the time and made the effort to participate as vigorously in all of those discussions as it could have, and it could.

16:40

There was no reason at all they should have been reluctant to go to Washington, no reason at all they should have been reluctant to suggest that any concern might be expressed by anyone if the position of Ontario were made absolutely clear to all those who would listen within the government of the United States and within the states.

There was no reason there could not have been the kind of thoughtful, knowledgeable lobbying of those who had been initiating this kind of activity in the US by members of the government of Ontario that there had been in 1982 and 1983. It was effective then; it would have been effective now had it been carried out.

But for some reason this government decided to sit on its hands and to suggest simply that the logic, which it knew had been supported by a great deal of activity in 1982 and 1983, would prevail without any activity in 1986, in spite of a congressional election.

We know what happened to Little Red Riding Hood and obviously the same thing is going to happen to the government of Ontario and to the people of Ontario as a result of the government's laissez-faire attitude. It is an unhappy state of affairs that this has been allowed to develop, because it should never have developed in the first place. It should not have been left to the federal government alone to say it would be appropriate simply to provide for a 10 per cent increase in stumpage right across the board.

The government knew this was going to be damaging to Ontario. It should have said so as loudly and as clearly as it could. What did we hear? Little whimpers and murmurings in the rear corridors of wherever meetings were being held. Nothing, absolutely no—

Hon. Mr. Kerrio: That is no way to describe Pat Carney.

Miss Stephenson: No, that is the member opposite; I am not talking about Pat Carney. If the government cannot stand up and say what it believes in the face of the Minister for International Trade at the federal level, then those guys over there are not worth their salt. It would not

have been a matter of concern at all for a member of this party to have done just that. That is what we did and that is what needs to be done.

Is it too late? Has the horse bolted the barn? I am afraid that perhaps the horse has bolted and that we are going to be in real difficulties. If that is so, then it rests entirely on the heads of the members opposite because they did not do the job they were elected to do to defend the people of Ontario, the jobs of Ontario and the workers of Ontario. That is what their job is. They may not like it. They may be happier going around waving flags and jumping across oceans, but their job is in Ontario and where Ontario is affected.

Mr. Wildman: If we are very honest with one another in this House, as all honourable members are wont to be, we must admit this is a shared thing. It is shared by this provincial government with the federal government and with the government of British Columbia.

I am sorry I cannot agree with the member who just spoke, who said the blame rests only with this government. A great portion of it does, but I am afraid the workers of northern Ontario and the sawmill industry in northern Ontario have been abandoned by the governments that are elected to represent them.

With some trepidation, I want to quote a member of the Liberal caucus, who said in a document published not long ago, "It," meaning the forest industry, "is the industry that is the economic machine which generates billions of dollars of wealth in Ontario." That is a true statement, despite the fact that the member who made the statement now has very little credibility with anyone.

The fact is that in Ontario, not just in northern Ontario but across the province, there are 820 wood-manufacturing establishments as well as 301 paper mills. According to Statistics Canada figures for 1983, this means that in terms of employment, in logging we employ 7,826 and in the wood industry 19,562. We also have 41,001 people in the paper industry. There is a total direct employment of 68,389 workers. Indirect employment accounts for 136,778 employees, for a total work force in this province dependent on forestry and forest products of 205,167. This is the major industry in this province although few people in the manufacturing heartland in southern Ontario understand that it employs more than any other industry in this province when we take direct and indirect employment into account.

The announcement made last week was indeed a slap in the face for the Canadian softwood lumber industry and for this nation. It exemplifies most unfortunately the inability and incompetence of the Premier as well as of the Prime Minister of Canada to negotiate with the US. It is obvious to everyone that this decision proves we must negotiate from a position of strength in dealing with the US.

The decision made last week is a direct result of the capitulation not just of the federal government but also of the provincial governments in offering to increase the stumpage by 10 per cent. That told the Americans their industry's argument was correct, stumpage was too low in this country, there was subsidization and therefore something should be done. The federal and provincial governments were in a game of chicken and they blinked. As I said earlier in the House, it is most unfortunate that we have a greater understanding of this situation by the editorial board of the Washington Post than we have by this government and by the minister responsible.

I would like to know what I, as a representative from northern Ontario, am to say to the workers of Thunder Bay where Great West Timber has indicated 1,500 jobs are threatened as a result of this announcement; to the workers both in the bush and in the mills of G. W. Martin across this province which has said it will have to lay off; to the workers of Three H Manufacturing in Tri-town who will face layoffs; to the workers in my own riding in Dubreuilville, Thessalon and Sault Ste. Marie; to the workers in Chapleau and Hearst who are threatened with layoffs. More than 20 towns in this province are directly related to the sawmill industry. In those towns, the economies, the small businesses and the jobs will be decimated if this proceeds.

Potentially, we could lose 5,000 jobs in the north, in an economy that is already reeling from layoffs and announcements of further layoffs across the board. I do not think many people understand that this announcement will mean a flood of British Columbia lumber to the eastern part of this country, lumber that would normally go to the US market. That will further threaten jobs in the northern part of this province.

There is 78.5 per cent of the manufacturing employment in northwestern Ontario and 32 per cent of the manufacturing employment in northeastern Ontario directly related to forest resources. This decision does not stop here. It also threatens the paper industry. We can see further ramifications of this decision. Seventy per cent

of our lumber product goes to the US from northern Ontario. Some mills are shipping 85 per cent to 90 per cent of their product to the US. Those mills will be in serious trouble and this will mean many more layoffs.

We have gone from a share of about 25 per cent of the US market to about 33 per cent, as the Washington Post says, largely because of exchange rates and not because of any subsidization.

16:50

This government now says it is going to fight this decision. There is an appeal period—we have until December—and the decision will not be finalized until February. How on earth is it going to fight against its own agreement that is at least 10 per cent too low? What is it going to do? Is it going to go to the US and say, "Fifteen per cent is too much but 10 per cent, as we agreed to before, is okay"?

Hon. Mr. Kerrio: The member should ask Pat Carney.

Mr. Pope: What about the minister?

The Acting Speaker: Order.

Mr. Pope: The minister should resign if he is not going to fight for Ontario.

The Acting Speaker: Would the member for Cochrane South please remain quiet?

Mr. Wildman: I would like to finish my comments.

The Minister of Industry, Trade and Technology has said that he no longer supports—if he ever did—the 10 per cent increase. How on earth are this government and the federal government of Canada going to have any credibility in the US if they now go to Washington and say, "Two weeks ago we agreed with 10 per cent, but we do not any more"? How on earth are they going to convince anyone in the US with that kind of an argument? How do they think their appeal will be successful? It is just ridiculous.

This decision affects a major sector of the economy in northern Ontario. It threatens other sectors. This government should be doing all it can, not only in dealing with the federal and other provincial governments but also in appealing directly to the Secretary of Commerce in the US. This government should be speaking directly to US senators from the approximately 46 states that will be hurt by this decision, to gain some allies in Washington. It should fight in Washington for Ontario, for its sawmills and for its workers. It should not go only to Ottawa. It should go to Washington. For heaven's sake,

why can it not speak on behalf of the workers and the people of the communities of the north?

Mr. Davis: Vince Kerrio goes to Washington, just as Mr. Smith did.

Mr. Wildman: Perhaps that would hurt us more than it would help us.

The fact is that this is a serious matter. Perhaps I have spoken too harshly on this issue in the House over the past few days, but I have spoken in that way because this directly affects the people of my riding and the people of northeastern and northwestern Ontario who have already been hit by many layoffs this year. Beyond setting up some task forces and shipping some civil service jobs and providing some money for tourism, this government has done absolutely nothing to respond to the economic problems we have in the north.

The Acting Speaker: Your time has expired.

Mr. Wildman: I am appealing to this government to go to Washington to fight for our interests.

Hon. Mr. O'Neil: First, I would like to express my deep concern regarding the US subsidy determination found against Canadian softwood lumber exports last week. The previous US countervailing duty investigation in 1983 found that Canadian stumpage programs did not constitute a subsidy. Since that time, there has been no significant change in either US trade law or Canadian stumpage policies and practices. The US decision to accept and review a new petition covering the same ground could only be considered harassment of legitimate Canadian exports.

The decision last week in effect to impose a 15 per cent countervailing duty on lumber is simply wrong. Stumpage levels are not a subsidy. The Canadian case is as strong in 1986 as it was in 1983. We cannot accept the US finding because it sets a dangerous precedent. This decision, if allowed to stand, could provide a basis for other countervailing duty cases against competitive Canadian resource exports. We will urge the federal government to fight this unfair and unjustified decision by every possible means.

I am very concerned with the many technical problems in the US finding. The weakness of the US case suggests that other factors are responsible for this unwarranted attack on fairly traded Canadian exports. When the US verification team visits Ontario, we will identify all the technical problems with the judgement; for example, comparing public timber stands in Ontario with private stands in New Brunswick as

the basis for calculating timber values is clearly wrong.

We believe there is a strong basis for the reversal of this decision. Canada bought and paid for US market access for softwood lumber in previous trade negotiations. Now we are being told to pay again. One can only conceive that the US trade-policy objective of a level playing field means that in the resource area, competitive Canadian exports must pay because of uncompetitive US producers. It happened on wood shingles and shakes exports earlier this year. It has happened again with softwood lumber. Other resource-based exports may be similarly threatened in future.

Federal and provincial ministers and officials will be meeting with industry and labour during the next two days to map a strategy for the weeks and months ahead. We approach these meetings in a pragmatic and constructive manner. We will, however, be looking for strong federal leadership in response to the US decision of last week. We expect the federal government vigorously to challenge the US decision at the GATT dispute settlement panel now under way. Provincial resources policies are not a subsidy under GATT rules. The federal government must put a strong and convincing case forward and gain the leverage of allied international interests. All other legal avenues must be explored. Strong arguments must also be put forward at subsequent stages of the countervailing duty investigation.

Ontario is not in the foreign policy business. It is clearly a federal responsibility to provide effective leadership in situations such as this. We will be reminding the federal government of its responsibility. We will contribute policy and technical support to the development of Canadian positions and strategies.

Let me cite several examples of our activities in recent months. My officials, together with the forest industry and federal representatives, mapped out a program to provide Ontario assistance to the softwood lumber industry using the field offices in the US of the Ministry of Industry, Trade and Technology. Our senior representatives, working with Canadian consulates across the US, have subsequently developed US allies in support of the Canadian position, such as home builders in the US.

As well, the Premier addressed the softwood lumber issue in discussions with US politicians and members of the administration during his visit to Washington. I, my colleague the Minister of Natural Resources (Mr. Kerrio) and our

officials have repeatedly met with Canadian ministers to develop strategies to provide necessary technical assistance. I met with James Kelleher regarding this and other issues on June 17 and with Pat Carney on September 10.

Regarding assistance to other exporters, let me briefly mention the following cases. My senior officials met with representatives of the Canadian foundry industry in November 1985 and with representatives of Ontario fork leaf iron manufacturers in May 1986 to develop strategies regarding threatened US actions against Ontario exports. In both cases we were successful.

My senior officials met with representatives of the Ontario cement industry in May 1986 to develop strategies against threatened US restrictions against Ontario cement exports. I raised this issue in June with the federal and provincial trade ministers and was in subsequent correspondence in July and September. The cement industry has expressed its appreciation for this assistance.

The Premier and I have both been in correspondence with the government of Canada in recent months to seek greater federal-provincial private sector co-operation in dealing with the Canada-US steel trade initiatives. My officials have repeatedly met with steel industry representatives to co-ordinate approaches. In May the federal government announced tighter import monitoring of offshore steel to check possible trade diversion into the Canadian market.

The Premier and I have both recently expressed concern regarding US complaints about the Canadian auto parts remission program. I have also twice written to the federal trade minister regarding the US threat against Canadian exports of uranium. Clearly, we have been strongly supportive of Ontario exporters facing US market access difficulty.

I am concerned with recent indications that Canada-US irritants are increasing in number and importance. We need stronger federal leadership regarding the current management of these irritants. We now need stronger and more co-ordinated issue management so that the strengths of industry and federal and provincial governments can more coherently be brought to bear on these issues. We need also to head off issues before they become critical. We need to correct US misconceptions regarding our resource pricing and other policies. Stronger, more targeted public information programs in the US are necessary. The US must become more aware that its economic interests are damaged to the degree that Canadian access to its markets is damaged.

17:00

I brought these views on the management of current trade irritants to the attention of Pat Carney in Ottawa on September 10. These matters must now be addressed.

Let me reiterate in conclusion that we will continue to provide strong support to the softwood lumber industry and other industries that are facing market access difficulties. We will continue to ensure that these interests and concerns are well understood by the federal government. We will seek to ensure that appropriate leadership and action are forthcoming from that source.

Mr. McFadden: As a person who was born and raised in northern Ontario and who still has family working there, I appreciate the tremendous anxiety that many people have about their jobs and whole futures because of the countervail proposal. This is more than just an economic issue. It is obviously a major social issue for many communities throughout the north.

One of the things I must admit I have found somewhat strange has been the lack of direct Ontario representation in Washington on this issue. As a member of the select committee on economic affairs, I had the opportunity, together with 10 other members of this House, to visit Washington on two different occasions in recent months to talk to senators, congressmen and various senior officials in the American government and representatives of various business and other groups, to discuss trade policy and the current trade discussions between Canada and the US.

We found that the Americans were very open to meet with us. They were very frank in their discussions and welcomed a dialogue on matters of mutual interest between our countries, whether the subject was irritants between our two countries in our trading patterns or future opportunities.

One of the things that struck all members on the select committee was the need for Ontario to have a more forceful, open and obvious presence in Washington, on an ongoing basis, in view of the tremendous dependence Ontario has on the American market.

It seems strange that Ontario would have agents general in London and Paris, and now in Tokyo, where obviously we have major business connections, but would have absolutely no Ontario presence in Washington, although 91 per cent of our exports go to the United States.

I suggest there is a real need for Ontario to have an ongoing and visible presence in Wash-

ington, as the select committee has recommended, and this case in particular is very ample and obvious evidence of that need.

It is strange that the Minister of Industry, Trade, and Technology and the Minister of Natural Resources did not themselves go to Washington and make their case forcefully to officials of the Department of Commerce and the Treasury Department, to the White House or to officials in Congress. As I have mentioned, they were very open to meet with ordinary members of the Legislature. I am sure they would have been very pleased to have sat down and had a good heart-to-heart discussion on this very important matter with Ontario government officials who represented all the people of Ontario. It is disturbing that was not done.

The impact on northern Ontario is tremendously severe. Many people in southern Ontario neither understand nor appreciate the difficult economic situation in the north. Twenty-six per cent of all layoffs in Ontario this year have occurred in northern Ontario. The population in northern Ontario represents only about nine per cent of the total Ontario population. That indicates very clearly the problems faced by our brothers and sisters in the north.

A disturbing feature of the employment picture is that more than 7,000 workers in northern Ontario work directly in the softwood lumber industry. If we add to that the number of people who are indirectly affected, it would probably be double or even triple that number who are dependent in some way on the softwood lumber industry.

If the 15 per cent countervail goes on—perhaps it will not happen; let us hope it does not—that would cost 2,000 direct jobs and undoubtedly hundreds, perhaps thousands, of indirect jobs could be jeopardized.

If there was ever evidence that Ontario and Canada have a need for ongoing trade talks with the Americans, this particular countervail threat is it. This is no time for Canada to get into a trade war with the US. We have to go down to Washington and put forth our case, forcefully and effectively.

In view of the gravity of the situation, while the government itself should be going down there and forcefully presenting its arguments, I suggest it would even strengthen that if an all-party group were to go down there and also put our case very forcefully to the American government and to congressional figures on the importance of this whole question to the people of Ontario and Canada.

One thing I hope is that we make it very clear, on behalf of the people of Ontario, that we must find over the next short while some way to break through this rising tide of protectionism, countervails, duties and threats that are starting to disrupt the invaluable business relations we have with the US.

If we lose our markets in the US in softwood lumber and then we start losing them in steel and in other industries, we are talking about the loss of thousands of jobs. If we had other markets that we could easily go to and sell to, so that the people who are dependent on the US could then come dependent on the markets in Japan or Korea, it would not be as worrying. However, the one thing that came out very clearly in the meetings the select committee on economic affairs had with industry representatives from the pulp and paper industry, the softwood lumber industry and from all kinds of industries in the natural resource sector and in manufacturing is that there are no easy alternatives to the American market. We are not suddenly going to find a vast opening of new markets in Japan, China, Korea or anywhere else in the world, notwithstanding visits by the Premier, other ministers or other members of this House to various countries around the world.

Over the next 10 to 20 years, we are going to need the American market for jobs, economic development and prosperity in this province. I urge the Ontario government, in its attitude towards ongoing trading relationships and ongoing trading talks with Washington, to take a positive and proactive approach.

In Ontario, we should be hoping that the ongoing trade talks with the US will produce some form of an agreement to ensure that the markets in the US are open and to ensure that this kind of countervail action and retaliation do not become a way of life in the years ahead.

If what we are seeing today is the forerunner of future developments in Canadian-American relations, then we are looking forward to the loss of thousands of jobs in this province, not only in northern Ontario but also throughout this province.

17:10

We need a new understanding, a new agreement and a new arrangement with the United States to deal with this. I urge that the provincial government, instead of dragging its feet on this matter, get behind the federal initiative. Let us get on with it. We have to get on with it to save Ontario jobs.

In the short run, what we have to do as a province is to get down there and aggressively present our position to the American government, to American legislators, to American industry and to the American people. They have to understand that this kind of countervailing action is not just going to be destructive and hurtful to Canada, but is also going to be equally as destructive and hurtful to Americans and their jobs in the long run.

M. Pouliot: Comme nous tous, c'est avec une certaine crainte et une certaine angoisse, et je dois avouer avec un peu de tristesse, que la semaine dernière, jeudi dernier, nous avons reçu le communiqué ou la proclamation du département du Commerce américain nous disant qu'une surtaxe, une douane, une imposition de 15 pour cent serait mise sur le bois de construction émanant du Canada en direction des États-Unis.

Bien sûr, nous étions tristes, mais jamais surpris. Jamais surpris parce que le style, la méthode et l'approche du gouvernement provincial libéral, comme le style, la méthode et l'approche du gouvernement conservateur fédéral, étaient une invitation à la table du péché. Ce style, cette méthode, étaient ceux d'un mendiant, étaient ceux de celui qui se porte à la table des négociations et qui dit volontairement: Vous savez, on vous donnera 10 pour cent, vous en demandez 37. Un système de défaillance.

Aujourd'hui, les coupables sont le ministre de l'Industrie, du Commerce et de la Technologie (M. O'Neil); un autre coupable, le ministre des Richesses naturelles (M. Kerrio); un troisième coupable, le trésorier de l'Ontario (M. Nixon), qui n'y est pas—

M. Shymko: Qui ne sont pas ici.

M. Pouliot: —qui ne sont même pas ici pour regarder en face les ramifications du chômage dans le nord de l'Ontario.

Nous savons depuis toujours que le taux de chômage, chez nous dans le Nord, est deux fois plus accru que le taux de chômage dans l'ensemble de la province. Une théorie des dominos, une théorie successive. Mais il faut dire quand même que le gouvernement n'a pas agi méchamment. Le gouvernement n'est pas méchant. Le gouvernement est négligent, il est incompetent et il se fout des travailleurs du nord de l'Ontario. Nous sommes venus dans le Nord avec toute la sincérité que nous pouvions commander. Dans la plupart des communautés du Nord, nous n'y sommes que depuis 20, 25 ou 30 ans. À cause d'une attitude semblable, à cause

d'une attitude pareille, nous ne faisons que passer. Nous sommes des porteurs d'eau.

Jamais un gouvernement provincial—et ça, je le dis avec certitude—n'a sérieusement planifié le développement économique du Nord. Et ce sont les travailleurs, qui après y avoir oeuvré pendant cinq, 10, 15, 20 ou 25 ans, comme conditions qu'on acceptait à l'avance, eh bien, on exportait ses fils, ses filles; on s'exportait soi-même après que les ressources naturelles se sont éteintes. Dans un climat qui est déjà difficile au point de vue compétitif, où la marge de profit est très réduite, ce qu'on vient de faire avec une imposition de 15 pour cent, c'est de tirer le tapis sous les pieds des travailleurs. Ce n'est pas plus que cela, mais ce n'est pas moins que cela non plus.

Et quand les mises à pied se poursuivront, parce qu'on en a déjà maintenant, quand les 5,000 emplois n'y seront plus, le chômage dans le sud de l'Ontario commencera à augmenter parce que ce sera un pèlerinage du nord de l'Ontario vers le Sud.

Nous savons très bien que nos petites communautés ne produisent pas d'autres choix. Ce n'est pas de mise, car on n'a qu'une seule industrie dans la majorité de nos petites communautés. Donc, où aller? Vers le Manitoba? Pour les francophones, quelques-uns vers le nord du Québec? C'est impossible puisque le même phénomène se produit au Québec.

The announcement last Thursday of the imposition of a 15 per cent tariff has dealt a severe and vital blow to the economic climate in northwestern Ontario. We were appalled and shocked to find that our economy, which is already in severe jeopardy—we have twice the level or percentage of unemployment in northern Ontario compared to the south—has been dealt an economic blow that will take a long time to recover from, if not a generation to heal. In my riding, I know fully 20 to 22 communities that will be victimized.

What is shocking and appalling is that the government failed to see the light, failed to do its job. It has the terms of reference; it has its mandate; and it will have to carry the guilt. For every job that is lost in the northwest, it will be judged harshly. We have no economic alternative.

Many of us came to northwestern Ontario with a very vivid and distinct impression that it was right, that it was the proper spot to better ourselves, that we would enhance our livelihood. We have been running short of hewers of wood and carriers of water since that time. We have

exported our natural resources. We have exported our sons and daughters to the universities elsewhere, to the universities of the south. As a grand finale, we are exporting ourselves, because we do not have economic alternatives that will give us a chance to be like others down south. It is as simple as that.

The government does not seem to care. What we are dealing with is incompetence and negligence of the highest order. What we have is an invitation to the table of sin by virtue and reason of bad bargaining. Surely no one is naïve enough to trust and to believe that when people enter negotiations saying they are going to take a pay cut, they are not going to be hammered.

I should understand that philosophy and Liberals do not necessarily go together. There is not a great deal of relevance; there is not a strong connection. However, I cannot say it often enough: we have been the victims of the lack of economic planning for our region and we are paying the price. I am standing here today and saying: "We told you so. We have been telling you for decades, and you have done nothing."

When the people start being laid off and have no place to go, the government shall be asked to carry the guilt—nothing short of that.

17:20

Mr. Cordiano: It would be an understatement to say there is a wave of protectionism in the United States at present. The determination by the Department of Commerce reflects the real strength of protectionism in the US. The reversal of the 1983 finding that stumpage did not constitute a subsidy appears to be a direct response to political pressures. If the Department of Commerce did not find in the US industry's favour, we know Congress threatened to pass legislation defining natural resource pricing practices as a subsidy.

The increase in protectionism we have seen in the past few years in the US is of great concern to all members of this House and probably to all people in this country from coast to coast. It will affect a number of industries. Potentially, it could cost us thousands of jobs; we all understand that. The Minister of Industry, Trade and Technology—the member opposite is shaking his head; I had thought he would agree with me on that point.

Mr. Martel: No. The government does not understand. That is why it is not doing anything: it does not understand.

Mr. Cordiano: We do. All of us understand that, regardless of party stripe.

The Minister of Industry, Trade and Technology has described numerous cases where we have had to vigorously defend our industries' interests in the US markets. Last week's determination on softwood lumber, like the 35 per cent tariff on shakes and shingles from British Columbia, shows just how strong US protectionism is at present, and it has been building over the past year.

My colleagues on the opposition benches mentioned a few moments ago that in Washington in 1985 and this past summer, we heard from a number of US congressmen and various staffers in Congress who said our country faced a very real and potentially dangerous situation.

The minister has pointed out that we need stronger advocacy measures in Washington. The select committee on economic affairs, which met all last year, recommended that our province should have an Ontario House in Washington. I believe that would go some way to stemming the tide we have seen over the past year. We could alert industry in advance of the dangers they might face with regard to particular industries facing the imposition of countervail duties.

By developing an Ontario House in co-operation with the federal government, we would have a greater means of enhancing our trading relationship and, as I see it, communicating any difficulties that might be emerging. That was a very sound recommendation made by the committee, and I hope it comes to pass.

As well, the minister pointed out that we will be pursuing legal avenues and taking advantage of whatever multilateral alliances that can be made to try to fight the impact of US protectionism. I believe US protectionism will affect not just Canada but also other trading partners with very strong interests in the US market. I believe there is a potential for us to have alliances with other countries throughout the world.

The federal government has dealt with the current softwood lumber case as it was dealt with in 1983. At that time, we had a different party in power, and they dealt with that issue very effectively.

Mr. D. R. Cooke: They did a good job.

Mr. Cordiano: They got what we wanted. I do not have the same confidence in the government of the day.

Miss Stephenson: No. We got what we wanted.

Mr. Cordiano: It was the federal government that pushed and got it, in the final analysis. I will grant the member this: the provinces were working with the federal government.

Miss Stephenson: They were indeed.

Mr. Cordiano: Okay. On the other hand, I believe what we face today is a different situation because we face a much stronger tide of protectionism. I do not think we can deal with those problems in the same fashion as we did in the past, nor can or should trade irritants be dealt with in bilateral free trade negotiations despite the US desire to do so.

Mr. Foulds: What kind of revisionism is this?

Mr. Cordiano: The member over there is shaking his head, but he agreed with some of the recommendations we made. The member may have had his dissenting report, but he certainly participated in the recommendations we made.

Mr. Foulds: But you endorsed free trade.

Mr. Cordiano: We did not endorse free trade.

Mr. Foulds: You endorsed bilateral free trade talks. What are you talking about?

Mr. Mackenzie: He is one of the guys who stood up and said he could not support the Tories.

The Deputy Speaker: Order. Will the member for Hamilton East and the member for Port Arthur (Mr. Foulds) please give the member a chance to finish his speech?

Mr. Foulds: He is revising history.

Mr. Mackenzie: What hypocrisy.

Interjections.

The Deputy Speaker: Order. The member for Sudbury East (Mr. Martel) is now adding to the problem.

Mr. Martel: You are right. That is what I am intending to do.

The Deputy Speaker: Order.

Mr. Cordiano: Now that I have sparked interest on the opposition benches, let me point out what the committee said. I do not think the member for Hamilton East ever fully understood the committee's position when we dealt with this in hearings. We did say—

Mr. Mackenzie: You saw the split.

Mr. Foulds: It was all over the place, on both sides of the fence.

Mr. Cordiano: Just a moment. What we did say categorically, and it is right here in the report—

The Deputy Speaker: Order. Will the member please address his comments through the chair? It will probably cut down on the interjections.

Mr. Cordiano: I apologize. Through you, Mr. Speaker, I want to read for the member what

we said in the report: "A fully comprehensive agreement that results in the complete removal of all tariff and nontariff barriers to trade from all sectors of the economy is neither achievable nor realistic." Nor is it desirable, I might add. That is what we said in the committee. It is a pretty strong statement, and it came across clearly and concisely in our committee hearings.

None of the members of the committee endorsed the federal government initiative, which was comprehensive in nature. We excluded a number of items. We said we should not put agriculture on the table, and we said we should not put the auto pact on the table. Those were things we did not want to see on the table; we said so clearly in the interim report, and we said so again in this report. We were quite concerned about that.

Let me go on with the rest of this matter on softwood lumber. As I said, the federal government is trying to deal with the issue in the same way it has been dealt with in the past, but I do not believe it is going to be as effective as it was in the past. Nevertheless, I am confident that whatever has taken place today can be reversed. I believe emphatically that the Minister of Natural Resources and the Minister of Industry, Trade and Technology will do their utmost to see that it happens.

Mr. Martel: Do you believe in the tooth fairy?

Mr. Cordiano: I certainly do not.

I am sure the federal government will agree that long-term trade negotiations should not be the place to resolve short-term trade disputes. As I said before, we need a bilateral or joint commission that will look at trade disputes. I recall that at the Quebec summit, when the Prime Minister met with President Reagan, they agreed to a standstill on new protectionist actions between the two countries. That is also a recommendation we made in our report. It is too bad it was not taken in good faith. I believe it was a clear statement at that time, but obviously it was not followed through. I might have to ask the federal government what its understanding was of the statement made at the Quebec summit.

Mr. Foulds: Your minister quoted it.

Mr. Cordiano: We stated our position quite frankly.

Mr. Mackenzie: That sounds tough.

Mr. Cordiano: I am not going to apologize for the federal government; it has botched this whole thing from the beginning. I am not apologizing for Brian Mulroney and the federal Tories.

I want to finish by saying I am optimistic that the decision rendered by the US Department of Commerce can be reversed; I believe we can reverse that decision. I know that both the Minister of Natural Resources and the Minister of Industry, Trade and Technology will continue their efforts.

Mr. Ashe: I have had the opportunity today to see something we do not have the advantage of seeing very often. I saw a transformation, a transfiguration and a resurrection. I am referring to listening to the Minister of Natural Resources when he got up today during his statement and in the five minutes leading to this debate and afterwards.

Having listened to him today and last Thursday, he obviously is not the same person. I have to conclude that he went through a transfiguration and/or a resurrection during that time. Undoubtedly, the fellow who got up last Thursday and talked about how great it was that there would be only a 15 per cent tariff was not the same fellow who got up today—

Hon. Mr. Kerrio: Mr. Speaker, on a point of order: You cannot let somebody get away with that. That comment is not true. It should be stricken from the record.

Mr. Ashe: What did the minister say? Read Hansard.

Interjections.

The Deputy Speaker: Order. That is not an appropriate point of order—

Hon. Mr. Kerrio: He made a comment that is not true, and I will not buy it.

The Deputy Speaker: Order. There are other ways of dealing with it besides raising a point of order in the House.

17:30

Mr. Ashe: Unfortunately, I happened to see and hear what the minister said. He had better look back in Hansard, because he may not know what he said. There is no doubt how he made it appear, because that group over there was sitting on its butt and not taking care of the people of Ontario, particularly those in northern Ontario.

Hon. Mr. Kerrio: You are not going to get away with that. Tell the truth.

Mr. Ashe: The minister said 15 per cent was a real winner.

Hon. Mr. Kerrio: I did not.

Mr. Ashe: Sure he did. He is not concerned about 2,000 jobs in Ontario.

The Deputy Speaker: Order.

Hon. Mr. Kerrio: Mr. Speaker, throw him out.

The Deputy Speaker: There are two people itching to be thrown out.

Mr. Ashe: That fellow needs a little pity. Obviously, when he had the resurrection, they did not put the two people together because now he does not know what he said last Thursday. There is no doubt that the approach the minister took today and the sounds that came out today are a little different from what they were last Thursday, I agree, but sometimes we all see the light, some sooner and some later; it is unfortunate that it was considerably later over there.

Are we talking about an insignificant industry in Ontario and Canada? No, we are not. We are talking about an industry in Canada that last year generated \$3.7 billion in exports, of which I understand more than \$800 million originated in Ontario. I appreciate that in the Liberal philosophy, \$800 million is only a drop in the bucket, but it is a significant export opportunity that this country and this province have been able to build up over the past number of years because of competitive, up-to-date technology and the assistance of the lower value of the Canadian dollar.

Were they telling that to the Americans over the past number of months when this issue was brewing again? Were they saying that Ontario is not really the same in its practices as Quebec and British Columbia? Were they saying that if one looks at the issue, the difference in the competitiveness is that the Ontario and Canadian industry invested a lot of dollars a number of years ago to make it an up-to-date, modern and competitive industry, and that we are aided by the difference in the value of the Canadian and US dollars? Did they say that? No. They got together a couple of weeks ago and agreed to the Canadian position that we would go on bended knee and offer a 10 per cent tariff and that it might satisfy the Americans.

They do not understand even now the position in which that puts Canada, and particularly Ontario. We are not the same as Quebec or British Columbia. We should not have indicated that we would be part of that offer. We have undercut our own underpinnings. What legs do we have to stand on now? The big argument is whether it should be 10 per cent or 15 per cent, but in fact for Ontario it should be zero. We should have stood up for that position.

In 1982-83, when this was an issue, did the then government sit on its haunches and say, "We will let British Columbia talk to the

Americans; we will let the feds talk to the Americans"? No. The then Minister of Natural Resources got up off his butt and went down to the United States. My colleague the member for Cochrane South went down and spoke to the Americans on several occasions. He had meetings with the Americans and put forth the case not just for Canada but for Ontario.

Hon. Mr. Kerrio: The industry put the case.

Mr. Ashe: Sure, we worked with industry. We do not suggest that the industry works by itself, just as the government should not work by itself. It is something that affects industry, government and, more important, the workers in Ontario.

The members opposite did not do anything about it. When the Premier went to Washington in 1985, about the biggest credit he got was that he was referred to as Premier Anderson. Did he bring up this issue that was brewing? No, he did not. When this issue was brewing, did the Minister of Natural Resources head down to Washington and put forward the case? No, he did not. Did the Minister of Industry, Trade and Technology get off his butt and go down there to do the same thing? No, he did not either. He did meet with Pat Carney in the past few weeks and agree to the 10 per cent position; if that is negotiation, if that is doing something about the issue, oh boy, are we in trouble.

Hon. Mr. Kerrio: You do not like Pat Carney's position.

Mr. Pope: You did; you agreed with it.

The Acting Speaker: Order, please.

Mr. Ashe: We are talking about something extremely important to the communities of northern Ontario. We are talking about the majority of the jobs in some of the smaller communities. Even a relatively small percentage, as the minister would put it—and perhaps it is only 500 or 1,000 jobs; the Minister of Industry, Trade and Technology said earlier today it will be perhaps only 500 or 1,000 jobs.

Hon. Mr. Kerrio: He did not say that at all.

Mr. Ashe: He did say it. The minister should turn up his hearing aid. If he does not know what his colleague said, the minister should read Hansard.

The Acting Speaker: Order, please.

Hon. Mr. Kerrio: He did not say what you are implying. You read everything into the record that is not right.

The Acting Speaker: Order, please. Member for Durham West, make sure you stick to the topic.

Mr. Ashe: Mr. Speaker, I am speaking to the topic 100 per cent. Hansard will show that the minister, not a week ago or a year ago but today, said it might be only 500 or 1,000 jobs. We hope we are not right, we hope it does not even go forward, but if it does, we suspect it will more likely be 2,000 jobs, or two to four times what the minister agrees is a minimum.

Hon. Mr. Kerrio: This government will protect the jobs in northern Ontario.

Mr. Pope: You have already done such a great job.

The Acting Speaker: Order.

Mr. Ashe: It is a little late for the government to get off its butt now, but I suppose a little late is better than not at all. The same is true of all the initiatives announced during the recent by-election in the north. Did you put any new money in there? No. You agreed to move a few jobs from Toronto to Sudbury and Sault Ste. Marie. You expect a great deal of credit for doing nothing.

The Acting Speaker: Address the chair.

Mr. Ashe: This is an important issue for Canada, for Ontario and for jobs in northern Ontario. Frankly, at this late date there are some people over there who should be hanging their heads in shame. The Premier should be hanging his head in shame. The Treasurer should be hanging his head in shame. The Minister of Natural Resources is and should be hanging his head in shame, as should the Minister of Industry, Trade and Technology, because they have not done their jobs.

Mr. Foulds: I rise to enter this debate with a great sense of anger, a great sense of frustration and a great sense of shame.

I am ashamed to be a member of this Legislative Assembly when we have been sold out by the Liberal government of this province and the Conservative government of Canada. I am ashamed to be a parliamentarian when we have the 10 per cent twins, the Minister of Industry, Trade and Technology and the Minister of Natural Resources, agreeing to the Conservative initiative at the federal level that we should give away the 10 per cent. I am ashamed to be in a Legislature where the official opposition is hammering the government here but has done nothing to hammer the government in Ottawa.

As a northerner, I am ashamed that I have to be represented at the trade talks in Washington by the incompetence we have seen exhibited today by the Minister of Industry, Trade and Technology and the Minister of Natural Resources. As a

northerner from northern Ontario, I am ashamed to be represented at the federal level at those trade talks in Washington by Joe Clark and Pat Carney, who sold out our position.

17:40

Let us understand that the position of northern Ontario has been sold out by the Liberal government based in Toronto and by the Conservative government based in Ottawa. Let us make no mistake about that.

In 1983, we had a position which was upheld in the US, and nothing has changed since then. Why then did the provincial government give in to the federal demand that we sell out? Why did the Liberal government in Ontario do that?

The federal government has already sold out, has already given away Canada under the national energy program and on the pharmaceutical debate, and the legislation passed in this province to try to lower the price of drugs for seniors is going to be undercut by that federal decision on pharmaceuticals.

The federal government has already sold out on shakes and shingles, on the Foreign Investment Review Agency. Why should we be surprised that it sold out on this one? What does surprise me is that this government also quietly acquiesced in the sellout. How many more examples do we need that the pursuit of free trade by this government and the federal government is a will-o'-the-wisp that has weakened our position with regard to industry, manufacturing and jobs in Canada?

This is a national issue; that is true. This is an Ontario issue; that is true. But I feel it in particular as a northern Ontario issue, because unemployment in my part of the province is twice that of anywhere else in the province. I feel just a little tired listening to the Treasurer saying he is going to get increased revenues because of the buoyancy of the economy. I get just a little tired being represented by the ministers of Natural Resources and Industry, Trade and Technology, who know nothing about the economy of northern Ontario. I get a little tired when the Premier and the cabinet come to northwestern Ontario and the Premier says to the people of Terrace Bay, to the people in Longlac and in Geraldton: "Do it on your own, fellas. You are on your own. You have to show some local initiative."

It is about time we had some provincial initiative. It is about time we had some leadership from this government. I am a little tired when we lose jobs at Kimberly-Clark and it does nothing. I am a little tired when we lose jobs at the

waferboard plant at Great Lakes Forest Products and at Falconbridge and it does nothing. I am a little tired when we have only one operating iron ore mine in this province today, Wawa, and it is threatened because of government inaction.

What does this government say and what does the government in Ottawa say to the people of Longlac, Geraldton, Atikokan, Thunder Bay and all through northeastern Ontario? I am a little tired of the members of this government wearing out the knees of their pants genuflecting to the boys and girls in Ottawa and to the protectionist sentiments in the US.

The worrying thing about this decision is that the trees that are grown in northern Ontario for softwood lumber, spruce, are the same trees that are used in waferboard and in pulp and paper. What is next? What jobs are threatened by this decision in which this government acquiesced? What is next?

The Premier should have the guts to stop playing both sides of the fence, as his Liberal members on the free trade committee tried to do, and he should today repudiate the free trade talks—the comprehensive talks in Ottawa—and then maybe the people in northern Ontario would have some confidence that the following steps that he would announce, and should announce, would have a real impact. He should develop an alternative job strategy in northern Ontario to develop secondary industries associated with the resources, whether they are mining resources or lumber resources.

There is no reason in the world that we should not be manufacturing forestry and mining machinery in northern Ontario. There is no reason in the world that we should not be manufacturing, not only lumber products, but also more finished products, such as toboggans, skis and hockey sticks. There is no reason in the world that we should not have a mature economy in northern Ontario, except for the people I see across from me and the people to my right who have represented the governments of this province for more than 100 years.

Mr. Martel: We need another conference.

Mr. Foulds : We do not need another conference in northern Ontario to solve the problems of the economics in northern Ontario. We in northern Ontario need the tools to build the economy ourselves. By this sellout on this deal, the government has failed one more time to give us those tools. I say with all of the anger and frustration I can muster that these people across the way have not only failed themselves politically, but also they have failed the people of

northern Ontario economically and socially and they will not be forgiven.

Mr. D. R. Cooke: I have been listening to this debate with some interest over the last several minutes and I am surprised at the extent to which I have been hearing arguments placed which, to say the very least, seem to twist the history of the free trade debate.

I remind members opposite that the initiative to commence the free trade negotiations occurred between the federal government of this country and the federal government of the United States prior to this government ever coming into office, and that one of the first things the Premier did upon coming into office was to set up a legislative committee to look into this initiative extremely closely, more closely than any other legislative committee in Canada has done, and to report on it.

I indicate and remind members opposite that we started our discussion in July 1985. By September 1985, members of this committee were convinced of a number of things. With the exception of the New Democratic Party and the labour movement, which of course was not a part of it, we were convinced that Ontario's presence in the United States was not great enough and that the previous government government had not done enough to make certain we could be heard in that country.

It was the NDP that demurred from that position, generally speaking, and wrote a dissenting interim report saying we should do nothing; we should merely place our heads in the sand. That report was written by Bob White, as was their dissent to the final report.

Mr. Breagh: On a point of order, Mr. Speaker: I am afraid I cannot let that stand. The member knows that if Bob White had written that report, at the least it would have been much more coherent than the report he presented.

The Acting Speaker: That is not a point of order.

Mr. D. R. Cooke: That is correct. I stand corrected. Bob White would have written a more coherent dissent than the one that was written; nevertheless, it was taken from his submission to the committee.

17:50

When we arrived in Washington on September 10, 1985, the very first question I put, on behalf of all members of the committee, to the first American witness we dealt with, Dr. Alfred Reifman, senior specialist in international economics in the congressional research service,

was, what about countervail? It was very obvious to us that countervail is the most important thing to consider in the free trade negotiations.

Every American we talked to in the summer of 1985 said: "No, countervail is even more important than the American flag. You will never touch countervail; you will never take it away from us. We have the right to decide what a subsidy is from a foreign country and we will always make those decisions. No one will ever take that right from us."

When we went to Ottawa and talked to people in Mr. Reisman's office, they said exactly the same thing. They said countervail is something they will never touch.

Interjections.

Mr. Speaker: Order.

Mr. D. R. Cooke: Therefore, the question has to be raised: why is the federal government not prepared to talk about countervail or to put it on the bargaining table? How can the member for Eglinton (Mr. McFadden) stand in his place and say, "We are in favour of pursuing these negotiations with the United States," and at the same time suggest that we have to look after our own interests with regard to countervail? It does not make sense.

That is why our committee has said very strongly that we have to have an international dispute resolution mechanism; we have to take the whole question of subsidies away from the Americans; we have to bring it to Canada; and we must have provincial input into that dispute resolution mechanism. We have indicated this theme in resolutions 10, 11, 12, 13, 14 and 18; they all deal with that question very carefully and clearly.

I am extremely concerned that the Minister for International Trade at the federal level suggests, as she did publicly yesterday on Cross Country Checkup, that if we continue to pursue these negotiations, somehow we are going to get countervail. How are we going to get it if it is not going to be raised by either side is the question I raise. I suggest to our government that we insist it be raised at the federal level if we are going to be part and parcel of an implementation program, because only if we do that will we know that, after some agreement is signed, we are not going to be countervailed again a couple of months later by some industry in the US.

Countervail is out of control of the government. It is something that is brought forth by the industry itself. When we take that and put it into an international tribunal, we will then be able to have that tribunal look not only at the subsidies of

the foreign country, which is us, but also at the subsidies of the US. In those that occurred with regard to the softwood lumber situation, one would be looking as well at American subsidies, and that is not the case when we are dealing strictly with American countervail legislation. One would look at American subsidies, and there are plenty of them; I do not need to delineate them again.

I am submitting that we should make it clear that it has to be placed on the bargaining table and negotiated. Some people would say that is a naïve position. They would suggest that if the Americans will not talk about it and if the Canadians will not talk about it, why should we raise it?

When we went back to Washington in July 1986, the Americans were not quite as adamant as they had been before. First, they were prepared to start talking about definitions of subsidies, maybe not to Mr. Reisman but at least to us. We have to go a little further than definitions of subsidies. We have to make certain that their subsidies are considered just as much as our subsidies. We have to make certain that our country has some say in the final decisions.

That was a beginning when we talked about definition of subsidies. I submit that means, beyond a shadow of a doubt, it could be placed on the bargaining table if only the federal Minister for International Trade had the guts to put it on the bargaining table. Who is a wimp? That is the question we have to ask today in this House. We have to send a strong message to the federal government that it has to get its act together, it has to put some of these things on the bargaining table and make certain they are debated thoroughly and if, in fact, they are not be accepted, that we walk away from the situation with whatever we can.

Mr. Pollock: I am pleased to take part in this debate. These countervailing duties are going to affect my riding, especially the northern part of my riding. I am concerned about it. The big mill at Harcourt is not in my riding, but a lot of people in my riding are employed at that mill and we also have a lot of small mills. It is a real concern to me. These countervail duties will cause unemployment in an area of my riding where there already is high unemployment.

I am extremely concerned and I am surprised the government did not even see fit to go down to Washington to lobby on behalf of those 7,000 workers who could be affected by this duty. Eastern Ontario has a lot of workers employed in

the lumber industry and they will be affected by it.

The Liberals have said time and time again that when the Tories were in power they neglected eastern Ontario. Let us look at the record. We put the Ontario health insurance plan operation in Kingston. We put the Ministry Revenue in Oshawa. Three Japanese car manufacturers came to Ontario. Where did they all go? They all went to western Ontario. We would have appreciated it if they had all come to eastern Ontario. We would have been pleased to have at least two. We did not even get one. They all went to western Ontario, on prime farm land.

The forest industry has been hit hard over the last year. It has had a 15 per cent increase in workers' compensation assessments. It has been quoted already that there will be another 15 per cent increase this year. That means a 30 per cent increase in two years on workers' compensation assessments. This is at a time when the accident rate is going down. The forest industry is involved in the new employment experience rating program. The NEER program spells out that if a firm has an employee who has an accident, its rates go up accordingly. If that employee has a serious accident, the rates really jump. I know of one logger whose rates went up 300 per cent. This countervail duty will only increase the burden and hardship on the whole forestry industry.

I heard the member for Cochrane South say he had asked the Ministry of Natural Resources for some information but it would not provide it for him. Whatever happened to this open, free and accessible government we were supposed to have? Why did they not provide that information? I want to put these words on the record and say that this countervailing duty is certainly going to affect the northern part of my riding.

18:00

Mr. Mackenzie: I rise with some amusement rather than with the sadness some of my colleagues have expressed. It is not because I do not feel as strongly about the issue as they do. It is that I find it difficult to believe some of the things I hear in the House on occasion, particularly from some of the members I sat with on the select committee on economic affairs that dealt with free trade.

First, let me say the initiative brought about by Mr. Mulroney and the federal Conservative government was one of the dumbest and stupidest initiatives this country has ever seen. It has got us into nothing but trouble since the day he opened it up. However, let me also say I must

admit to a certain respect for the doggedness of the Tories in continuing to defend a position that is so obviously wrong. At least we know where they are coming from. They never stop defending the initiative and the talks, no matter how we are being hurt. I do not know whether it is beyond them to comprehend or what it is, but there they are.

My real problem is with my colleagues across the House. I think all of them are going to need some medical help.

Mr. Cordiano: No. You were for not talking to them at all.

Mr. Mackenzie: Let me tell the member, if he tries to straddle that picket fence for much longer the way his members have been doing, he is going to be in some trouble.

We sat on the committee on free trade. In the early stages before our interim report, we said a number of things. We had reservations and we made them very clear from the beginning. One thing we said in that initial or interim report was that there was no way we could have the auto pact on the table. I assumed—obviously naïvely—that if it was going to be on the table, that was the end of the talks, that this crazy, time-compressed period for a comprehensive bilateral trade agreement, the fast track, would end. It was obvious that would be too devastating to Ontario.

What happens? By the time we get to the final report, we have talked to them in the United States and in Canada and it is obvious that the auto pact is on the table. That is okay. We do not like it, but maybe we can get around it; maybe we can take it off the table. Obviously, there was not a lot of negotiating skill because they have not understood that if one gets it off the table, one is going to pay a price for it.

We did the same thing with agriculture. In the interim report, it was not to be on the table. It was too devastating for the province. Again, I realize how naïve I am and I admit it. I assumed that because it was there, obviously the talks were going to end.

What happens? We get to the final part of the report. We are issuing the final report. Agriculture is on the table and we have just had the new US farm bill, which could be devastating to us. Does that take us out of the picture of the talks? No. It is more reason why we have to stay in there. We have to fight. We have to be down there talking to them.

Then we see all the areas where we already have free trade, whether it is cut flowers, fish, shakes and shingles or softwood lumber. All of a sudden, what do we see? It is 35 per cent per cent

on shakes and shingles. We had already achieved free trade there. We see 4.5 per cent or five per cent on fish. We see the cut-flower issue. We now see 15 per cent, and it may go up, on softwood lumber.

In the very areas where we are trying to achieve this level playing field, the Americans are laughing as they hit us over the head. We say, "We have to find a few more areas where we can take off all the tariffs and restrictions." Why? So we can have some additional tariffs or even bigger tariffs slapped back on?

Then we talk about the softwood lumber issue, which will have devastating effects for much of northern Ontario and will affect some of southern Ontario as well. We are not told anything in advance. This government is almost as secretive as the federal government was when it started this initiative without any consensus and by telling its own members, "Keep it as low key as possible, because the less Canadians understand, the more chance we will have to get away with this farce." What do we find out? We find out that we have endorsed the 10 per cent countervail, and so they come in with 15 per cent.

Some of the Americans—we have all seen them on television or heard on the radio—say: "Hey, that was not good enough. We are going after more. We may not get it up to 37, but that is only an interim decision." Our defence, of course, is: "We are going to knock it back. We really did not agree with it to begin with." But they have already made their move; they have already said they agree it is a subsidy. That is crazy. It is not a subsidy.

On issue after issue, we have this problem of the difference between our two countries in what is and what is not a subsidy. We are now left holding the bag and in an almost indefensible position on the softwood lumber issue.

The key to countervail—one of the Tories mentioned it and one of my colleagues across the House mentioned it—one of the things we were quite tough on in the committee fairly early on, and we stayed with this until near the end, near our final report, was that countervail had to be dealt with because countervail left us defenceless, no matter what kind of agreement we signed with the United States. As long as the Americans have the countervail in place, any agreement is not worth the powder to blow it to hell in terms of protecting Canadian workers. That has to be dealt with.

We asked the Americans—we were pretty tough on this in the questioning—what about it? Is there any way we can mitigate this? Is there any

way we can get around it? They talked about needing better definitions of the various kinds of countervail, and we did too, but nobody told this committee he would back off in any meaningful way on countervail legislation.

Here we have members, my colleagues across the floor, saying: "Our defence is that, in the first instance, we will not put the auto pact or agriculture on the table. We certainly have to be tough on countervail." But the minute we know they are there, I say it is either real dishonesty or some hypocrisy that I cannot understand, because we were all there together when we were told that these things would be on the table and were not going to be changed.

All of a sudden we are still in there, and our best efforts in that committee to get this government to begin to show the leadership needed in Ontario to put an end to that facade, that charade, of comprehensive bilateral trade talks have failed. We have not been able to wean them off it. They are still there saying: "We have all kinds of reservations. We are now not really talking about comprehensive free trade talks; we are talking about more liberal trade, enhanced trade. We are talking about the fact that, to stop this protectionism, we somehow or other have to continue these talks," talks that are taking us down a narrow road to real problems and have already led us into more problems than we care to know.

How can we expect to achieve any benefits from the kind of negotiating skills we have seen from the members across the way, either those on the committee or the cabinet ministers who are responsible? I would not trust them, after the series of moves they have made, to negotiate anything.

As well, what kind of clout did we give the Premier? I am not sure, in view of his actions, that he deserves it. Did we give him a tough report that says, "Hey, we cannot win on this deal"? We know we have to talk to the United States. We have never said anything other than that, and the member for Kitchener (Mr. D. R. Cooke) was not making an accurate presentation when he said that. We said the talks had gone on from the very beginning with the US and would continue to go on, but not in this kind of format, which is deadly to us and which envisages an equal playing field and, really, an open border.

Did we give him in our report the clout he might have used effectively, in dealing not so much with the Americans as with Brian Mulroney, to say: "Hey, we are not going to go this route. We are not going to endorse you. We are

not going to endorse the 10 per cent. We think we should get out of this crazy game that every day brings a new sore point to us." No, and he certainly did not have that backing from the committee.

I understand his own view that he wanted to be a player in the game, and he did not want too tough a report from the committee in any event. I do not think that was very bright, either. With that kind of initiative and backing, we did not give him a doggone thing. Not one of those free-trade-loving Liberal members on that committee gave us anything to work with as well. It is obvious we have to turn to the alternatives.

18:10

Maybe we should look again at the cruise missile testing, the idea of self-sufficiency, the idea of content legislation and the idea that more auto pacts make sense. Maybe instead of having only one iron mine left in northern Ontario, we should be looking at what it will cost us—and it probably will—to open up two or three of those we have closed. Maybe we should tell the Americans, "We will stop bringing in your iron ore and pellets from Minnesota and Wisconsin." Maybe that is what we need. It is a tough political hardball game, and this government is not playing the type of game that is needed to protect Canadian workers.

Mr. Callahan: I have not had the opportunity to be here for the eloquence of members opposite with reference to this matter. There is no question that it is a matter of urgency and emergency. I used to like St. Patrick's day. I now shudder when St. Patrick's day 1987 comes around lest the Prime Minister of Canada will again join President Reagan on the stage, sing some other delightful Irish tune and give away the rest of the country.

Mr. Shymko: What is wrong with an Irish tune?

Mr. Callahan: I used to like them, but I am beginning to wonder now. The signal from Prime Minister Mulroney to Ronald Reagan seems to be, "You can have what you like; we will make a deal." One has to wonder whether this entire business of protectionist legislation in the United States is just an attempt by senators or congressmen to try to get themselves elected in the biennial elections. However, it has gone a little further than that. It may have started out that way, but it has now proliferated to the point where it puts the entire matter in a very serious light.

Although I believe we should look into the question of freer trade with the United States, unless we have the guts to stand toe to toe with the Yankees, we will come out losers. It becomes significantly difficult to understand the sensitivity of that country when it does things which, if it reflected upon them, could have very serious economic repercussions for this country.

I almost wonder what is at the root of the whole thing. I started out asking whether it is political. Is it simply because these people wish to get re-elected, and will the whole thing go away after the election is over? Did it start out that way and now they have seen how Canada has reacted to it? First, we get Mulroney jumping into bed with Reagan and saying, "You can have everything," and now we find that Mr. Mulroney is terribly offended by what the United States has done. What did he expect it to do? Did he really expect there would not be any action in the United States?

Maybe it is after something more significant than simply working on tariffs to make our products more costly to go into the United States. Maybe it is trying to cripple us. There are a lot of things Canada has that the United States is fast running out of. There is the question of water. There is no doubt the United States will require water by some method in the very near future. We have natural resources par excellence. We have been blessed by the good Lord with probably the greatest and best natural resources of any country in the world. Maybe the United States is after that as well.

As Pat Carney said this afternoon on television, perhaps the United States is simply trying to use us as its token contract or token arrangement so it can hold it up, travel around the world and say, "Look, Canada signed voluntarily, so why do you guys not sign voluntarily?"

The United States has a bigger apple to pluck than us, but one would think it would be very sensitive in dealing with a nation as close to it as we are, as friendly as we have been with it, and providing the buffer between it and another nuclear power. It never apologizes when it comes to this country and it wants to use its cruise missiles over our country. I think perhaps it should tread a little more lightly. Perhaps Canadians should stand up and say: "Mr. Reagan, the deal, whatever it was, that you made on March 17, 1985, in Quebec, is over. We are now taking back all promises Mr. Mulroney made that night as he sung *When Irish Eyes Are Smiling*."

Mr. Wildman: Do you think the Premier should tell Mr. Mulroney that?

Mr. Callahan: Let us go to that point. The Premier was the first and the most vocal of any of the Premiers with reference to this little dance that Mulroney and Reagan were doing on the stage in Quebec in March 1985. What was he told by the Prime Minister of Canada with reference to his attempt to intrude into this whole agreement because it affected Ontario? Mr. Mulroney said: "You do not have any rights. It is a federal matter."

Unfortunately, he forgot that it was a federal matter when he was allowing this whole thing to take place. He was looking after Canada, but I think he forgot the fact that Ontario is in Canada, because he did absolutely square root from the looks of things.

Members opposite heard the minister when he told them he went to these meetings. They were just there, I assume, as observers, because Prime Minister Mulroney said they had no clout, that this was a matter between nations. Look at what he did to the Premier of Alberta when the latter tried to talk to one of the sheikhs in the oilpatch. He told him: "You do not speak for Canada. I speak for Canada."

I think Mulroney told us exactly the same thing. He says the provinces do not have any say in this. That is absolute balderdash, because the provinces have the biggest stake in this. We all form Canada, and this guy is up there saying we do not have anything to say about it. When one starts off with that type of principle, how can one possibly believe anything one is going to say will have an impact on Prime Minister Mulroney and his government? There are a number of people sitting there from various provinces, each with his chicken to pluck, each being affected in a different fashion, each trying to look after his own house; and who do they have sitting there leading the whole thing? I do not think anybody was in the room.

The Prime Minister of Canada or Pat Carney should be leading this thing, not for the benefit of a single province but for the benefit of the totality of Canada. As the minister responsible for this area, how can Pat Carney possibly have any ease of conscience or go to bed at night knowing that if she works it well for British Columbia or some other province, northern Ontario will suffer in the dramatic way it is suffering? That is exactly what happened.

The minister from this province went into that meeting, tried to put forward his dissent and found that the orchestra leader was leading a

group of people who were all in agreement that this was a good deal, but what was the orchestra leader, the Prime Minister, or his designate, Pat Carney, doing? Were they out to tea? She certainly was not showing any leadership with reference to looking after the affairs of the totality of Canada.

It is easier for members opposite to criticize because they do not have the responsibility the Premier of this province has to attempt to get Prime Minister Mulroney to recognize the fact that he does not run the whole show in Canada, that it is run by Ontario and each of the provinces individually. If Mr. Mulroney does not like that, then Mr. Mulroney can take whatever he has, whatever comprises his area—perhaps 24 Sussex Drive—and go down and negotiate it with Reagan if he wants to.

With reference to the Ontario government, I watched the leader of the Conservatives stand up during the extra billing debate, hand us a phone and say, "Call up the Ontario Medical Association." By way of response, I suggest that perhaps he should have picked up the phone a few times, called his kissing cousins in Ottawa and told them to start looking after the interests of all the provinces of this country, not just after the ones that may win him political platitudes but all the provinces. We will get more credit for the stand we took in Ontario than will Prime Minister Mulroney in the next election for the stand he does not take. The Premier of this province took the first stand on the question of free trade.

18:20

Mr. Foulds: Gee whiz, politicians should not play politics.

Miss Stephenson: He stood firmly on both sides of the issue.

The Deputy Speaker: Order. The member for York Mills, please. Would the member for Port Arthur let the member speak?

Mr. Callahan: All the Conservatives were ogling their federal buddies, who are now in power up there, and saying, "Oh, it is beautiful, Brian, we love it."

Not one word from over there. The opposition has not said a word. They have not gone to their federal counterpart and said what they thought of the deal. Has anybody over there called them up? There are only about five of them here. Maybe I should ask the rest of them tomorrow in question period. It is too bad I cannot ask them a question.

Quite frankly, it is nice to play politics—I suppose that is the name of the game—but when it comes down to the question of people in northern

Ontario being unemployed because of the devastating effects of what the Prime Minister of this country did, then the opposition should get off its butt and forget about the politics, start calling him up and giving him hell.

Mr. Wildman: On a point of order, Mr. Speaker: I ask you to review the Hansard record and see if the member opposite was in any way imputing motives in his comment about playing politics. If anybody in this House other than the Liberal Party can argue about playing politics, after what has happened over the last couple of weeks in northern Ontario—

The Deputy Speaker: Order. That is not a proper point of order.

Mr. Davis: I rise with joy to enter this important debate, to lay the blame of incompetence at the feet of the Liberal government, the ministers who were responsible and the Premier, who allowed the United States to impose a 15 per cent import on our softwood products.

When one considers that 65 per cent of the output goes into the US, it seems that this government and these ministers should have had the presence of mind at least to have someone in Washington defending the position of Ontario, the workers of Ontario and those small towns, such as Geraldton, that will be affected.

One can ask why the Minister of Industry, Trade and Technology was not present. One can ask why the Minister of Natural Resources did not make a journey to Washington to talk to those senators; or at least their parliamentary assistants could have gone. It is very interesting to note that in 1982-83 the then Minister of Natural Resources, the member for Cochrane South, journeyed on his own volition to Washington to present the Ontario case, which is different to the case in British Columbia.

It is interesting that this afternoon the Minister of Industry, Trade and Technology said his government could not do anything with respect to this initiative. They did support the 10 per cent. He said they had no input into that decision, that they could not speak out publicly on behalf of the industry, on behalf of the people in those towns that will now be affected in economic hardship, on behalf of those 500 to 1,000 workers or perhaps more who will lose their jobs, or on behalf of those families who will now suffer hardships because their breadwinner is out of work. He said we could not speak on that issue. We had no voice.

One finds it rather ironical that the Premier finds the ability to become very vocal on the issue of free trade and yet when it comes to the

protection of an Ontario industry, when it comes to the protection of workers in this province, the Prime Minister, the Premier—

Mr. Callahan: He got it right the first time. That is a Freudian slip. The member was thinking about it too when he said Prime Minister.

Mr. Davis: He may be. If he is, the member is in trouble because who then is going to lead that party? Who is going to lead that party without the triumvirate in the front row? That party needs them.

The Deputy Speaker: Order. Will the member for Brampton please not interrupt? Will the member for Scarborough Centre please speak towards the chair? It will cut down on the interjections.

Mr. Davis: Perhaps the member for Brampton would take a hard look at what is going to happen in November because his illustrious leader may not be there. If the rumours I hear are correct and there is a draft motion to run him as the leader of the Liberal Party, he may indeed be in fear.

It is interesting that the Premier of this province is silently strange—strangely silent on that issue.

Mr. Wildman: That is right. Silently strange.

Mr. Breagh: Silent, uneasy, strange.

Mr. Davis: Silently strange? He may be that too.

I find it disturbing that the present government picks and chooses the issues it wants to speak out on and be involved in, such as beer and wine in the corner store. This government somehow believes this is one of the most crucial issues this province faces in this year of 1986 and in this month of October. It completely ignores the significant disruption that now is going to occur in northern Ontario with a loss of jobs from the 15 per cent import tax. I find it difficult to understand that people are not important to this government, that what is important is trendy issues that get front-page headlines.

My colleagues have indicated to this government that it has a noncaring attitude, a noncaring concern for the people of northern Ontario and for the workers of this province. I find it interesting that the Minister of Labour (Mr. Wrye), who calls himself the minister for labour, had nothing to say to his colleagues on this issue and did not at least encourage them to forget the trips to Tokyo or Korea and move to Washington to defend the interests of Ontario.

I conclude by saying that the people of this province will remember this government. They will remember its inaction and its unsympathetic

attitudes. They will remember a Premier who stood up in the little town of Geraldton and said: "You have to look after yourselves. We are not going to help you. We are not even going to listen to you. In fact, we are not going to help defend you." The people of this province will speak very solidly in the north with respect to this government.

The Deputy Speaker: The member for Oshawa has three minutes and five seconds.

An hon. member: No rebuttal?

Mr. Laughren: No rebuttal.

Hon. Mr. Kerrio: You will win that, too, today.

The Deputy Speaker: Not in an emergency debate.

Mr. Breagh: One day he should read the rule book and know all that.

The Deputy Speaker: Order.

Mr. Breagh: I want to say a few words about this. I have had a chance to listen to the debate. It is an odd thing, but this should not be an afternoon of recriminations; it should be an afternoon of learning lessons. The Ottawa Rough Riders have been turned loose on the field of play and the Chicago Bears have mauled them. We should learn lessons from this kind of savagery. We should understand that when we talk about free trade we cannot talk in isolation or on our terms. We are playing in the big league with people who are very rough.

I have heard many members here today describe this as a northern Ontario issue. For those of us who love the north and have toured the north, it is obvious that towns where the sawmill is the industry will be where the first strike occurs. It will not just be people working in a sawmill who will lose jobs. It will also be people who work in the bush, people who work in service industries and people who transport things in and out of those communities; all those jobs are directly affected.

Let me put on the record this afternoon that we will also feel it here in the Golden Horsehoe. We use the wood that comes from northern Ontario. We build houses with it. In Oshawa, we build pallets for car parts with it. We will pay more when those sawmills cease to exist in northern Ontario. We will eventually pay the same higher price American consumers will pay.

The lessons to be learned are rather straightforward and cruel. They are, first, that we do not get to call this one the way we want it. Other, more powerful, political forces in this country and elsewhere have a large say as to how this whole

debate comes about. We should learn some strong lessons from that. Second, it is incredibly dangerous for this province to assume that somebody else will represent us. They will not. This should not be a debate about whether our cabinet spends the next six months in Washington; it ought to be a debate about whether our cabinet represents us, wherever it may be. In Washington, Wawa, Ottawa or wherever our people's needs are being discussed, our cabinet has an obligation to be there and to be an active participant.

Finally, the saddest lesson of all is that this is just the first of many. For those who think this will happen only in northern Ontario, only with

softwood lumber, had better learn a hard lesson today. It will happen everywhere, if we do not take the steps necessary to protect the jobs in Canada. There are people in the American Congress from one end of the US to the other who understand the political process well. They will defend their workers and they will defend their industry; it is up to us to defend ours.

The Deputy Speaker: This order of business is now completed.

I remind all members that the legislative interns are holding a reception this evening in room 230.

The House adjourned at 6:30 p.m.

APPENDIX

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

NONDISCRIMINATION CLAUSES

254. Ms. Gigantes: Would the Minister of Labour provide the following information: (a) which collective agreements in force in Ontario in 1985 had a nondiscrimination clause; and (b) of those collective agreements in force in Ontario in 1985 that did have a nondiscrimination clause, which ones included sexual orientation as a prohibited ground of discrimination? [Tabled April 23, 1986]

Hon. Mr. Wrye: The research and analysis unit is currently analysing provisions in collective agreements in the private sector covering 200 or more employees and in all public sector agreements, under a new computerized system.

Of the 3,313 agreements to be analysed, 2,156 have been completed. Nondiscrimination provisions are contained in 2,048 or 95 per cent of the agreements completed, most commonly against race, religion, nationality, sex, age, marital status and union membership.

Provisions referring to nondiscrimination for sexual orientation are a recent occurrence in collective agreements, appearing for the first time in 1982. Of the 2,048 agreements noted above with nondiscrimination provisions, only 23 prohibit discrimination for sexual orientation, all found in public sector agreements.

TRAVEL EXPENDITURES

257. Mr. Runciman: Would the Chairman of the Management Board of Cabinet please provide a list of the five travel firms that have had the highest volumes of government business since July 1, 1985, along with the amounts in dollars? [Tabled April 23, 1986]

Hon. Mr. Conway: The five travel firms that had the highest volumes of government business between July 1, 1985, and March 31, 1986, along with the amounts in dollars, are as follows:

Travel firm	Dollar value of government business July 1, 1985 to March 31, 1986
1. Melville Webster Travel Service	\$693,022
2. The Travel Shop	110,473
3. Ontario Saracini Travel	106,000
4. A & C Travel	86,694
5. P. Lawson Travel	86,628

HEALTH CARE COSTS

261. Mr. Bennett: Would the Premier provide the method and supporting documentation for his claim that administrative costs for the 10 provincial hospital and medical care plans are 2.5 per cent? [Tabled April 24, 1986]

Hon. Mr. Elston: In 1985-86, the total cost of Ontario health insurance plan administration is estimated to be approximately \$70 million. The administrative costs are approximately 2.6 per cent of claims payments, which are currently estimated to be in the order of \$2.6 billion annually.

OHIP is an integrated operation with its head office in Kingston and 20 offices spread across Ontario. The administrative operations of OHIP include the payment of claims on behalf of patients for physician and other practitioner services as well as the collection of premiums and the provision of premium assistance.

The hospital and medical care plans of the other provinces may have different administrative costs owing to differences in organizational structure and program delivery. However, it is expected that other provincial health insurance plans operate at comparable levels of administrative efficiency.

GOVERNMENT INITIATIVES

267. Mr. Pope: Would each minister provide by constituency a list of all funded grants, programs and any other initiatives that have been taken by the government since June 26, 1985? [Tabled April 25, 1986]

Hon. Mr. Nixon: The government does not maintain such a list, and the amount of staff time and cost required to compile an answer to this question on a ministry-by-ministry, project-by-project basis cannot be justified.

MINISTERS' TRIPS

268. Mr. Villeneuve: Would the Minister of Government Services provide the reason for the minister's March 9, one-week visit to Jamaica; the names and positions of any minister's staff members, Premier's Office staff members, Ontario public service employees, Liberal Party members and their guests present for part or all of the trip; the nature and breakdown of any costs incurred for any of the preceding individuals; the meetings, talks, correspondence with govern-

ment officials, independent business; dates, times, individuals in attendance during these interactions; the nature of any agreements signed during the visit; the reason for the trip's one-week duration; the choice of the high-rate season for the trip as opposed to a cheaper travelling time of the year; the total cost of the trip; and the cost borne by the province? [Tabled April 25, 1986]

Hon. Mr. Conway: At a meeting in Toronto on July 23, 1986, the Minister of Social Security of the government of Jamaica extended an invitation to the Minister of Government Services, on behalf of the Jamaican government, to observe firsthand the beneficial impact of the aid program administered by the Ministry of Government Services for the government of Ontario.

The Caribbean aid program, which involves the donation of furniture, equipment and hospital equipment to assist the people of Jamaica, was established in 1966 by former Premier John Robarts. In this connection, there have been a number of visits over the years from representatives of the Jamaican government, and several site reviews and onsite arrangements have been undertaken by ministers and officials of the Ontario government.

The Minister of Government Services was accompanied by her executive assistant, John Webster. An itinerary of the trip is attached. There were no agreements signed during the visit.

The Jamaican government made provision for the cost of the flight and the accommodation, and the trip was scheduled for a full week to take advantage of cheaper rates. The trip occurred in March as a result of the invitation to make an early onsite review of the impact of the program and for scheduling considerations. The costs paid by the province amounted to \$2,151.49.

Itinerary of Hon. Ms. Caplan, Minister of Government Services:

Monday, March 10, 1986: Meeting with Hon. Dr. Kenneth Baugh, Minister of Health; meeting with Hon. Neville Gallimore, Minister of Social Security; tour of Bustamante Children's Hospital; visit Canadian consulate.

Tuesday, March 11, 1986: Television interview on Jamaica Broadcasting Corp.'s Morning Time; meeting with Prime Minister Edward Seaga; meeting with Rt. Hon. Florizel Glaspole, Governor General of Jamaica; tour of Gordon House; observe Parliament in session.

Wednesday, March 11, 1986: Meeting with Hon. Hugh Shearer, Deputy Prime Minister and

Minister of Foreign Affairs; tour of University Hospital of the West Indies; meeting with the Custos of St. Ann, Hon. Dr. Osmond Tomlinson; visit Dunn's River.

Thursday, March 12, 1986: Tour of St. Ann's Bay Hospital; meeting with a group of residents of Ocho Rios; reception hosted by Custos of St. Ann, Hon. Dr. Osmond Tomlinson.

Friday, March 13, 1986: Meeting with Lady Mitchell; press conference.

281. Mr. Brandt: Would the Minister of Industry, Trade and Technology provide the names of all individuals who accompanied him for all or part of his trip to West Germany; the total length of the minister's trip; the total cost of the trip; the cost borne by the taxpayers of Ontario; the breakdown and nature of these costs; the meetings, talks, correspondence with government officials, independent business; dates, times, individuals in attendance during these interactions; and the nature of any agreements signed during or because of this trip? [Tabled May 15, 1986]

Hon. Mr. O'Neil: The minister was accompanied on his trip to West Germany by L. Harrington, executive assistant. The minister and Mr. Harrington were in West Germany from Saturday, April 12, 1986, departing on the morning of Wednesday, April 16, 1986.

Total cost borne by the taxpayers of Ontario is \$7,733.06. The cost breakdown is as follows: travel, air fare, Mr. O'Neil, \$2,417; travel, air fare, Mr. Harrington, \$2,417; local transportation, \$2,157.80; accommodation and meals, \$741.26; total, \$7,733.06.

While in West Germany, the minister and Mr. Harrington attended the following meetings or functions, all of which were organized and paid for by the local organizations at no cost to the Ontario government.

(a) On April 12, the minister and Mr. Harrington attended the Hannover Trade Fair and visited the Ontario pavilion, where they participated in discussions with German industrialists who had indicated an interest in investing in the province. In addition, they attended a luncheon at the invitation of Hannover Fair authorities, where the guests included the West German Minister of Foreign Affairs, Hans Dietrich Günscher, as well as other government dignitaries and businessmen selected by fair authorities.

Following this, the minister, in the company of Dennis Baker, consul general of the Canadian consulate in Hamburg, and Mr. Harrington, continued the tour of the fair and visited the

pavilions of Investment Canada, the Canadian National Research Council and the pavilions of the provinces of Alberta, British Columbia, New Brunswick, Quebec and Saskatchewan.

(b) The minister and Mr. Harrington departed Hannover on Sunday, April 13, for Frankfurt, where they were brief by MITT staff as to the office's activities and objectives, which are as follows:

1. Identify suitable export market opportunities in foreign countries that match provincial strengths and capacities in the private and public sectors.

2. Identify qualified and reliable agents and distributors in foreign markets. Maintain up-to-date records.

3. Locate major foreign buyers for important Ontario product lines and service strengths.

4. Make arrangements for and co-ordinate, where necessary, the participation of Ontario firms in (a) foreign trade shows and exhibitions and (b) events designed to promote the exchange of technical expertise.

5. Identify and encourage foreign buyers to visit Ontario manufacturers, trade shows and exhibitions to consider purchase of Ontario product lines and services.

6. Request identification in Ontario of potential suppliers of specific foreign market buyer needs, especially vis-à-vis United States market situations.

7. Receive and co-ordinate, where necessary, visiting trade missions from Ontario. Make any appropriate arrangements on behalf of potentially interested foreign purchasers.

8. Receive and co-ordinate visits of solo missioners.

9. Provide assistance to Ontario groups visiting the foreign office territory in conjunction with missions or visits to trade shows sponsored by the federal government.

10. Represent Ontario government and private sector interests to municipal, state and central governments and officials whenever required in foreign territories and particularly when Ontario's export interests are threatened.

11. Promote the relative attractions of investment in Ontario to all potential foreign investors interested in establishing new job-creating operations. Assist specific investors to meet federal and provincial requirements surrounding the transfer of capital and the establishment of such operations in the province.

12. Promote the transfer to Ontario of technology that will preserve and create jobs and

advance Ontario's level of technological development.

13. Work with the owners of existing Ontario branch plants to expand current operations in the province and/or to grant full or limited world product mandates.

14. Promote Ontario's interests via speeches to and individual contacts with influential groups in the investment, trade and general business communities.

Accountability: Each foreign office is accountable for both qualitative and quantitative results, which are established for each year and stated in the annual operating plan of each office. Results are measured monthly as follows: export sales assisted, new agents and distributors appointed, plants and other facilities committed, joint ventures and licence arrangements signed and new immigrant entrepreneurs established.

(c) During the morning of April 14, the minister and Mr. Harrington travelled from Frankfurt to Bonn, where they were the guests at a luncheon hosted by the Canadian ambassador to West Germany, His Excellency Donald S. McPhail.

Present were: His Excellency Donald S. McPhail, Canadian ambassador; Robert W. Showman, minister-counsellor, economic and commercial affairs, Canadian embassy; Dr. Abel, director general, foreign affairs, Bund Deutscher Industrieller (equivalent to Canadian Manufacturers' Association); K. Braunhofer, managing director, Lemmerz; Karl-Horst Bockolt, managing director, VDO; Dr. Schultz, president of Klebstoffwerke Collodin and spokesman for the Gecamco Investment group.

(d) Following this meeting, the minister and Mr. Harrington travelled to Mannheim, where they attended a dinner meeting hosted by the lord mayor of Mannheim for the purpose of discussing Ontario's potential as an investment location.

Present at this function were: Dr. Gerhard Widder, lord mayor of Mannheim; Mr. Schroder, city of Mannheim; Gerd Kubler, director, Kubler Industrieheizung; Dr. Ing. F. D. Althoff, member of the board, Brown, Boveri et Cie; Dr. Haase, project manager, Canada, Brown, Boveri et Cie; Guido Karrenbauer, investor and owner of the Mannheim City Hotel; Dr. Martin Scherer, executive director, Mannheim Chamber of Commerce.

(e) While still in Frankfurt, on Tuesday, April 15, the minister and Mr. Harrington visited a German company and met with officials who are currently considering the location of a manufac-

turing facility in Ontario. Because of the confidential nature of this planning, no names can be given at this time.

(f) Following these discussions, the minister and Mr. Harrington departed for Stuttgart, where they were met by Martin Herzog, Minister of Economy, Small Business and Technology for the state of Baden-Wurttemberg. At this meeting a preliminary memorandum of understanding was signed for greater technology exchange between Ontario and Baden-Wurttemberg.

A luncheon followed, hosted by Dr. Herzog, and the following were in attendance: Hugh P. O'Neil, Minister of Industry, Trade and Technology, province of Ontario; L. Harrington, executive assistant to the Minister of Industry, Trade and Technology; Martin Herzog, Minister of Economy, Small Business and Technology, state of Baden-Wurttemberg; Wolfgang Frohlich, assistant to the minister; Joseph Wennrich, senior official, state of Baden-Wurttemberg; Klaus Munkwitz, senior official, state of Baden-Wurttemberg; Manfred Ginter, director, LEG (state corporation responsible for industrial development in Baden-Wurttemberg); Ms. Charlotte Dexter, LEG; Hugo Berger, representative, Daimler-Benz AG; and Klaus Stutz, representative, Zahnradfabrik Friedrichshafen AG.

(g) Following the proceedings in Stuttgart, the minister and Mr. Harrington proceeded to the city of Lahr, where a dinner meeting was hosted by Mayor Werner Dietz for the purpose of meeting local business and government leaders.

Among the guests in attendance were: Lord Mayor Dietz; Mr. Haungs, member of federal parliament; Mr. Zutt, member of federal parliament; Mr. Uhrig, member of provincial parliament; Dr. Karoli, alderman; Mr. Rieger, alderman; Mr. Bohnert, alderman; Mr. Klausmann, alderman; Ms. Freudner, alderwoman; Mr. Martin, president of the Chamber of Industry and Commerce; Mr. Gass, president, Small Business Association; General Whitman, Canadian Armed Forces; Colonel Saulnier, Canadian Armed Forces; and Canadian exchange students Pamela Cushings, Carrie Leroux, Chris Matchin and Lyn Wannemaker.

(h) The minister and Mr. Harrington departed West Germany on the morning of April 16, 1986.

This visit has initiated greater dialogue with West Germany as it relates to increased trade and industrial development as well as greater technology exchange through the preliminary agreement established with the state of Baden-Wurttemberg.

333. Mr. Andrewes: Would the Minister of Health provide the reason for his helicopter flight to Toronto's Northwestern Hospital taken on Friday, June 13, 1986? Would the minister include the cost of this trip and his point of departure? [Tabled June 23, 1986]

Hon. Mr. Elston: The minister arranged to fly from Cambridge Memorial Hospital to Northwestern Hospital when he learned of the closure of the hospital's emergency department in protest of Bill 94.

An emergency meeting was arranged between the minister, the board chairman, the hospital solicitor and the executive director to discuss contingency plans, hospital liability and staff obligations. A meeting was also held at the hospital between the minister and the College of Physicians and Surgeons of Ontario.

The cost for the helicopter flight was \$900.

TELEVISION IN LEGISLATURE

269. Mr. Villeneuve: Would the Minister of Government Services provide the respective consulting fees for the project management, the architectural design and the construction management contracts for the electronic Hansard project? Were any of these contracts tendered? If so, what dates were they tendered, what was the closing date for the bids, how many bids were received, from whom and in what amounts? [Tabled April 25, 1986]

Hon. Mr. Conway: The selection of an architectural firm is a noncompetitive process. The recommended fee structure set out by the Ontario Association of Architects is the base for remuneration for professional services.

The architectural firm of Carruthers, Shaw and Partners has been selected on the basis of its expertise, which was gained through renovations of many older and significant buildings in Toronto, Ottawa and other localities of this province.

Its close proximity to the project site, the availability of the firm and its large resources to complete the project within a very tight time frame were also considered in the selection.

The amount of fees to be paid is \$186,683, which will cover architectural design and overall project supervision.

A tender prequalification for construction management was published on February 12, 1986. Fifteen submissions were received on February 20, 1986. Four bidders were selected from the 15 to submit tenders for construction

management based on a fee and services of key personnel.

On March 13, 1986, the closing date for bids, the following tenders were received: Robert McAlpine Ltd., \$47,000; Milne and Nicholls Ltd., \$56,419; Bird Construction Co. Ltd., \$93,260; Dalton Ltd., no bid.

In awarding construction management contracts, the following factors are taken into account: bid price, proposed approach, staff availability, staff experience and particular knowledge and expertise.

The contract was awarded to Milne and Nicholls Ltd. on April 17, 1986.

SENIOR CITIZENS' SERVICES

303. Mr. Dean: Would the Minister without Portfolio responsible for senior citizens' affairs provide an accounting of the expenditures made to date out of the \$11-million fund for the extension of community support services for the elderly, which he announced on January 28, 1986? [Tabled June 4, 1986]

Hon. Mr. Sweeney: The following chart details the commitments the Ministry of Community and Social Services has made for funding of the \$11-million allocation for the extension of community support services for the elderly.

Program initiatives	Allocated 1986-87 \$000	Expenditures to date 1986-87 \$000	Commitments for 1986-87 \$000
Phase I			
1. Expansion of home support services	2,000.00	449.40	2,000.00
2. Expansion of elderly persons centres	750.00	187.50	750.00
3. Volunteerism			
(a) increase stipend	100.00	25.00	100.00
(b) recruit new volunteers	40.00	4.50	40.00
(c) Senior Talent Bank Association	60.00	13.00	60.00
4. Remote projects			
(a) community development phase	315.00	51.30	315.00
(b) operating funds	420.00	0.00	420.00
	<u>3,685.00</u>	<u>730.70</u>	<u>3,685.00</u>
Phase II			
Additional initiatives approved in principle, awaiting Management Board approval			
5. Additional home support services (senior day care, respite care, transportation, meals, etc.)	3,100.00	0.00	3,100.00
6. Alzheimer's projects	1,000.00	0.00	1,000.00
7. Enrichment of funding formula of home support projects	1,600.00	0.00	1,600.00
Phase III			
1. Promotion, recruitment, education, research	1,615.00	0.00	1,615.00 (to be determined)
	<u>7,315.00</u>	<u>0.00</u>	<u>7,315.00</u>
Totals	<u>11,000.00</u>	<u>730.70</u>	<u>11,000.00</u>

TOURISM COMMERCIALS

306. Mr. Rowe: Would the Minister of Tourism and Recreation indicate whether the new slogan "Ontario Incredible" was tested in any of the markets where the commercials are now running? If the new slogan and the new commercials were tested, could the minister tell us where, by whom, at what cost to the province and what the results of the tests were? [Tabled June 4, 1986]

Hon. Mr. Eakins: The new slogan "Ontario Incredible" was tested in two US cities and two Ontario cities, all markets where the television commercials are currently running or have run recently. The slogan and the new creative concepts were tested in Ottawa, Hamilton, Chicago and Cleveland during the week of March 17, 1986.

Vickers and Benson, on behalf of the ministry, employed the services of PEAC Media Research Inc. to test the slogan and the new creative concepts. PEAC utilizes a complex diagnostic creative testing technique, which is being effectively utilized by such corporations as Procter and Gamble, General Motors and General Foods.

The methodology involves prequalified respondents in a group viewing the creative concept and materials. Each respondent then enters his or her response to the message utilizing a microcomputer device. The computer device also records specific answers to questions pertaining to the message. The respondent's personal judgement, and therefore commitment as to what she or he has seen, is recorded on both the questionnaire and the computer prior to any general group discussion. This procedure is unlike traditional focus group testing where one participant can influence the thinking and discussions of the group.

The research was conducted at a total cost of \$66,950, which includes developing the actual format and questionnaire, recruiting participants, travel expenses for PEAC organizers and analysis of the results. There were a total of eight groups, two per city, in which the testing occurred.

The results of the testing of the slogan "Ontario Incredible," along with the creative concepts, were positive, and the ministry and its agency proceeded to implement the planned campaign.

307. Mr. Rowe: Would the Minister of Tourism and Recreation provide the criteria by

which he will prove a return on investment for the costs associated with his ministry's new commercials and on what basis he will share that information with the House and members of the Legislature and the tourism industry? [Tabled June 4, 1986]

Hon. Mr. Eakins: A key objective of the ministry in developing its tourism marketing objectives for fiscal 1986-87 is to judge all marketing efforts on the basis of return on investment.

Television is but one component of the ministry's integrated marketing campaign, and it is the entire campaign working in tandem that must be evaluated. The success of any marketing campaign, however, is difficult to measure in terms of isolating direct contribution to the results since many factors are involved.

In addition to Ontario's advertising in the marketplace, the federal government, as well as cities such as Toronto, is spending money promoting tourism, not to mention our private sector tourism partners. All these efforts working together impact positively on the province.

The ministry will continue to use information available from Statistics Canada and the travel industry as well as to monitor inquiries received in order to measure results. The ministry's new computer system is providing data on the origin and interest profiles of the inquirer as well as indicating to which medium the caller is responding, and result indicators will be developed from this data.

Although a full evaluation has not yet been completed, telephone responses to advertising are up by 10 per cent over last year. Written inquiries are up by more than 13 per cent. The number of US visitors entering Ontario from January through April is up by more than 11 per cent.

A thorough review of the year's activity will be conducted to determine overall effectiveness. The results will be made available to the House and members of the Legislature as well as the tourism industry.

FIRST MINISTERS' CONFERENCE

316. Mr. Brandt: Would the Premier provide the names of all individuals in the Ontario delegation who attended the first ministers' conference on free trade in Ottawa? [Tabled June 12, 1986]

Hon. Mr. Peterson: Those in Ottawa during the first ministers' conference on trade on June 2

and 3 were: Hon. David Peterson, Hon. Hugh O'Neil, Robert Latimer, Gary Posen, Patrick Lavelle, Hershell Ezrin, Vince Borg, Douglas Kirkpatrick, Bryne Purchase, George Hutchinson, Guy Côté, Lyn Harrington and Peter Balog.

317. Mr. Brandt: Would the Premier provide information indicating the purpose of each individual in the Ontario delegation to the first ministers' conference on free trade in Ottawa, specifically by name, position and duties? [Tabled June 12, 1986]

Hon. Mr. Peterson: Those accompanying the Premier to Ottawa for the first ministers' conference on trade on June 2 and 3 were there to handle logistics, briefings, security arrangements and media relations. Involved were:

Hon. David Peterson, Premier; Hon. Hugh O'Neil, Minister of Industry, Trade and Technology; Robert Latimer, special trade policy adviser; Gary Posen, Deputy Minister of Intergovernmental Affairs; Patrick Lavelle, Deputy Minister of Industry, Trade and Technology; Hershell Ezrin, principal secretary to the Premier; Vince Borg, executive assistant to the Premier; Douglas Kirkpatrick, director of operations, Premier's Office; Bryne Purchase, chief economist, government of Ontario; George Hutchinson, press secretary to the Premier; Guy Côté, deputy press secretary to the Premier; Lyn Harrington, executive assistant to the Minister of Industry, Trade and Technology; and Peter Balog, Ontario Provincial Police officer.

321. Mr. Brandt: Would the Premier provide a detailed summary of all travel arrangements for each member of the Ontario delegation to the first ministers' conference on free trade in Ottawa? [Tabled June 16, 1986]

Hon. Mr. Peterson: Travel arrangements for

the first ministers' conference on trade in Ottawa on June 2 and 3 were as follows:

Mr. Peterson, Mr. Borg, Mr. Côté and Mr. Balog flew from Montreal to Ottawa via helicopter on June 2 and returned to Toronto on June 3 on a Ministry of Natural Resources King Air.

Mr. Ezrin and Mr. Kirkpatrick drove from Montreal to Ottawa on June 2 and returned to Toronto on June 3 on the same Ministry of Natural Resources King Air as the Premier.

Mr. O'Neil, Mr. Lavelle, Mr. Harrington and Mr. Posen flew from Toronto to Ottawa via a Ministry of Natural Resources charter on June 2 and all but Mr. Posen returned via the charter that same night. Mr. Posen returned to Toronto via City Express on June 3.

Mr. Purchase travelled to Ottawa and returned via City Express on June 2 and 3. Mr. Hutchinson travelled Toronto-Ottawa-Toronto via Air Canada on June 2 and 3.

Mr. Latimer was already in Ottawa on business.

BILD PROGRAMS

320. Miss Stephenson: Would the Treasurer list the programs previously funded under the Board of Industrial Leadership and Development program which are now operated under various ministries, specifically by program and ministry and including the funds allocated for each program? [Tabled June 12, 1986]

Hon. Mr. Nixon: The following table lists programs previously funded under the former BILD program for which funds have been allocated in ministry estimates for fiscal year 1986-87. It includes amendments to allocations appearing in the printed estimates which have been approved by Management Board as of July 30, 1986.

Programs previously funded by BILD in ministry estimates* for 1986-87 (\$000)

	Estimates
Ministry of Agriculture and Food	
Ontario storage and packing assistance	1,000.00
Ontario whey processing assistance	425.00
Ministry of Citizen and Culture	
Computers and children	335.50
Ministry of Colleges and Universities	
University research incentive fund	1,729.50
Ontario Veterinary College	3,000.00

	Estimates
Special capital	
Lakehead nursing conversion	378.00
Ottawa road adjustments	334.00
Waterloo Computer Research Institute	13,158.50
Ministry of Community and Social Services	
Rainycrest Home for the Aged	284.00
Sioux Lookout Family Resource Centre	2.80
Moosonee Family Resource Centre	8.60
Northshore Family Resource Centre, Marathon	5.00
Ministry of Education	
Educational software	6,000.00
Ministry of Energy	
Canadian fusion fuels	658.00
Ministry of Government Services	
Young offenders (Goderich)	5,847.00
Brantford Jail	500.00
Metro West Detention Centre	200.00
Rideau Correctional Centre	160.00
Bracebridge registry office	30.00
Sault Ste. Marie Jail	10.00
Courthouse and registry office, North Bay	1,400.00
Ministry of Health	
Institutional health	
Bancroft N. Hastings	20.00
Barrie, Royal Vic.	38.00
Ottawa Grace	161.00
Thunder Bay HU	84.00
Windsor Hotel Dieu	106.00
Ministry of Industry, Trade and Technology	
IDEA Corp.	1,451.60
Ontario Centres for Technology	25,515.00
Innovation centres	2,225.00
Community small business centres	2,025.00
Biotechnology development	2,540.00
High technology development	5,500.00
Special industrial assistance	83,428.70
Automotive parts investment fund	16,460.00
Ministry of Natural Resources	
Hybrid plantations	352.60
Forest protection (purchase of CL-215s)	9,150.00
Ontario renewable resources research	200.00
Digital mapping	610.00
Large marinas	3,229.50
Infrastructure for Sandbanks Provincial Park tourism project	850.00
Ministry of Northern Development and Mines	
Kenora waterfront	692.00
Drill core storage	300.00
Industrial minerals	4,110.00
Rockburst research	300.00

	Estimates
Ministry of Tourism and Recreation	
Tourism redevelopment incentive program	5,600.00
Grading assistance	1,000.00
Tourism industry development (Santa's Village)	330.00
Tourism marketing	2,800.00
Ministry of Transportation and Communications	
Municipal transportation subsidies	2,400.00
American Motors access, Brampton	950.50
Transportation for physically disabled	112.56
Ministry of Treasury and Economics	
Tourism subagreement	5,000.00
Forestry subagreement	1,857.60
Mineral subagreement	1,460.00
Community economic transformation	250.00
Employment development fund carryovers	1,200.00
Total	217,774.96

*Includes supplementary amounts approved by Management Board as of July 30, 1986.

PRESS CONFERENCE

322. Mr. Brandt: Would the Premier provide the names, positions and duties of all individuals who attended with him during the radio interview and press conference in Montreal on June 2, 1986? [Tabled June 18, 1986]

Hon. Mr. Peterson: Those accompanying the Premier to Montreal on June 2 were there to handle logistics and briefings, meet with their counterparts in the Quebec Premier's office and attend to security arrangements and media relations.

Present were: Hon. David Peterson, Premier; Don Stevenson, Ontario representative to Quebec; Hershell Ezrin, principal secretary to the Premier; Vince Borg, executive assistant to the Premier; Douglas Kirkpatrick, director of operations, Premier's Office; Guy Côté, deputy press secretary to the Premier; and Peter Balog, Ontario Provincial Police officer.

MOTOR VEHICLE LICENSING BUREAUS

329. Mr. J. M. Johnson: Would the Minister of Transportation and Communications provide information indicating how many motor vehicle licensing offices are currently operating at 70 per cent under capacity, including addresses of these offices? [Tabled June 19, 1986]

Hon. Mr. Fulton: Following is a list of driver

and vehicle licence offices currently operating at 70 per cent or more under capacity.

(1) Rodney office, 235 Furnival Road, Rodney, Ontario, NOL 2C0; (2) Blyth office, Queen Street, Blyth, Ontario, NOM 1H0; (3) Westport office, Church Street, Box 222, Westport, Ontario, KOG 1X0; (4) Flinton office, Flinton, KOH 1P0; (5) Paisley office, 308 Queen Street North, Box 42, Paisley, Ontario, NOG 2N0; (6) Mactier office, Box 78, Mactier, Ontario, POC 1H0; (7) Manitowaning office, Queen Street, Manitowaning, Ontario, POP 1N0; (8) Mindemoya office, Lot 39, Mindemoya, Ontario, POP 1S0; (9) Spragge office, Highway 17, Box 40, Spragge, Ontario, POR 1K0; (10) Temagami office, Main Street, Box 10, Temagami, Ontario, POH 2H0; (11) White River office, White River, Ontario, POM 3G0; (12) Smooth Rock Falls office, 128 Fourth Street, Box 430, Smooth Rock Falls, Ontario, POL 2B0; (13) Mattice office, Highway 11, Box 130, Mattice, Ontario, POL 1T0; (14) Hornepayne office, Box 630, Hornepayne, Ontario, POM 1Z0; (15) Beardmore office, 203 Main Street, Beardmore, Ontario, POT 1G0; (16) Pickle Lake office, Claude Avenue, Box 100, Pickle Lake, Ontario, POV 3A0; and (17) Ear Falls office, 15 Spruce Street, Box 309, Ear Falls, Ontario, POV 1T0.

330. Mr. J. M. Johnson: Would the Minister of Transportation and Communications provide

the feasibility study and all related information regarding the reopening of the Dundalk motor vehicle licensing bureau, located in a government member's constituency? [Tabled June 19, 1986]

Hon. Mr. Fulton: The following is pertinent information from the feasibility study and other related information regarding the reopening of the Dundalk driver and vehicle licence office:

Date of closure: June 28, 1985. Date of reopening: December 2, 1985. Date of feasibility study: June 3, 1985. Nearest offices in operation and distance from Dundalk: Durham, 42 kilometres; Markdale, 27 kilometres. Number of

dealerships in vicinity: three. Estimated 1986 equipment utilization rate: 40 per cent.

331. Mr. J. M. Johnson: Would the Minister of Transportation and Communications provide a list of all Ontario motor vehicle licence bureau offices that have been closed since June 2, 1985, including all background material relating to the closures? [Tabled June 19, 1986]

Hon. Mr. Fulton: The following is a list of driver and vehicle licence offices that were permanently closed between June 2, 1985, and the present and information relating to these closures:

Location	Date of closure	Per cent under capacity	Nearest offices	Distance (km)
Alvinston	April 4, 1986	90	Watford	14
			Strathroy	16
			Glencoe	15
			Bothwell	22
Ancaster	June 18, 1985	40*	Dundas	6
			Hamilton Mountain	12
Cobalt	September 23, 1985	90	New Liskeard	14
Havelock	January 15, 1986	80	Norwood	9
			Hastings	18
			Marmora	18
			Campbellford	19
St. Isidore	July 8, 1985	80	Casselman	10
			Alexandria	24
Thamesville	July 2, 1985	70	Bothwell	15
			Dresden	20
			Ridgetown	20
Erin	February 1, 1986	70	Acton	20
			Orangeville	23

*Note: Although this office was operating at only 40 per cent under capacity, the proximity of the Dundas office (six kilometres) and the fact that the public made a quick and easy adjustment during the temporary closure of the Ancaster office prompted its permanent closure.

332. Mr. J. M. Johnson: Would the Minister of Transportation and Communications provide the feasibility study and all other related information that led to the closing of the motor vehicle licence office in the village of Erin, located in my constituency? [Tabled June 19, 1986]

Hon. Mr. Fulton: The following is pertinent information from the feasibility study and other

related information regarding the closing of the Erin driver and vehicle licence office:

Date of closure: February 1, 1986. Date of feasibility study: December 13, 1985. Nearest offices in operation and distance from Erin: Acton, 20 kilometres; Orangeville, 23 kilometres. Number of dealerships in vicinity: one. 1985 equipment utilization rate: 30 per cent.

GO TRANSIT

336. Mr. Jackson: Would the Minister of Transportation and Communications provide documents indicating the anticipated starting dates of full GO train service to Burlington and to Hamilton and the anticipated completion dates and locations for all new stations required between Oakville and Hamilton? [Tabled July 7, 1986]

Hon. Mr. Fulton: Since my announcement of October 1985, staff has been meeting with regional, municipal and CN Rail officials to determine the best course of action towards providing full GO train service to Burlington. We are working towards a target in the early 1990s.

With regard to stations, one new station is to be developed between Oakville and Burlington to accommodate the needs of those in the east Burlington area. Much of the land required for this new station in the vicinity of the Appleby Line has already been acquired, and we are moving to purchase the remainder. Staff has already undertaken preliminary investigation of this site, and we expect the new station will be operational by the time full service starts.

As the first part of this staged program to upgrade the service to Burlington, this October we will be adding a third weekday round trip to the two trains already operating into Hamilton.

Regarding the further extension of GO train service to Hamilton, shortly the ministry will be starting up the planning study to find the best location for the future track alignment and the terminal station in Hamilton. In recent months we have been waiting for the railway companies to define their requirements for expansion in the alternative corridors. Once we have this information from the railways, which we expect to receive next month, we will start to work on alternative alignments and station sites.

Until this work has been completed, which we expect to take about six months, it will not be possible for me to suggest an implementation date for this service expansion or the locations for the new stations between Burlington and Hamilton.

FINANCIAL INVESTIGATION

338. Mr. Runciman: Will the Minister of Financial Institutions advise whether the Ontario Securities Commission investigated the circumstances surrounding the collapse of PEC Financial Corp.? If no such investigation was carried out, will he indicate why not? If an investigation

was carried out, will he indicate the results of that investigation? [Tabled July 7, 1986]

Hon. Mr. Kwinter: The staff of the Ontario Securities Commission commenced an investigation into the matters surrounding the affairs of PEC Financial Corp. and its associated companies shortly after the public announcement of the receivership of certain companies related to PEC.

The object of the investigation is to determine if investors in various projects were misled in view of the financial condition of certain of the guarantors. Owing to the complexity of this matter, the investigation is continuing.

MUNICIPAL ALLOCATIONS

340. Mr. McLean: Would the Minister of Transportation and Communications supply the House with all supplementary allocations and names of all individual approvals by his ministry for all counties, regions, villages, towns, cities and townships in Ontario, including the number of dollars for each approval, since January 1, 1986? [Tabled July 7, 1986]

Hon. Mr. Fulton: The supplementary allocations made by the ministry for municipal road and bridge work are listed on some 50 sheets of paper. These lists include more than 500 individual allocations to municipalities. The value of these allocations is approximately \$51 million.

These lists of allocations are available for inspection and review in the ministry's municipal roads office in Downsview. It is suggested that contact be made with the manager of this office to arrange a convenient time to examine these lists.

MINISTRY STUDY

375. Mr. Allen: Would the Minister of Colleges and Universities kindly supply the House with a copy of the study done in the course of the fall of 1985 by the Deputy Minister to the Premier regarding centres of excellence in Ontario's universities? [Tabled July 8, 1986]

Hon. Mr. Sorbara: Neither the Deputy Minister to the Premier nor the Deputy Minister of Colleges and Universities has conducted or commissioned any study regarding centres of excellence in Ontario universities.

NOISE BARRIERS

379. Mrs. Grier: Would the Minister of Transportation and Communications provide, for each location listed below, the following information regarding noise barriers: (a) number

of residences assumed to be affected; (b) noise levels measured at each residence; (c) predicted attenuation at each residence; (d) length of barrier required; and (e) estimated total cost of project? The locations are: (1) Queen Elizabeth Way at Royal York Road; (2) Queen Elizabeth

Way at Brown's Line; (3) Highway 427, east and west sides, north of Rathburn Road; and (4) Queen Elizabeth Way east of Cawthra Road. [Tabled July 10, 1986]

Hon. Mr. Fulton: The answer is as follows:

	QEW at Royal York Road	QEW at Brown's Line	Highway 427 north of Rathburn West	Highway 427 north of Rathburn East	QEW* east of Cawthra Road
(a) Number of residences assumed to be affected (first row only)	55	15	88	57	53
(b) Noise levels measured typical (decibels)	66.9	64.8	68.2	71.8	68.2
(c) Predicted attenuation typical—first row (decibels)	4.3	4.7	6.3	6.5	2.5
(d) Length of barrier (km)	0.7	0.3	2.5	1.0	1.6
(e) Estimated total cost	\$470,000	\$156,000	\$1,150,000	\$625,000	\$1,550,000

*Selected for experimental purposes for freeway with service roads and not under normal priority evaluation.

INTERIM ANSWERS

210. Mr. Shymko: Hon. Mr. Nixon—The government will require additional time to provide the information requested. The answer should be available on or about November 28, 1986.

342 to 373. Mr. McLean: Hon. Mr. Nixon—The answers will have to be gathered from all ministers. Accordingly, the information cannot be provided within the normal 14-day period. A response should be available by about October 31, 1986.

RESPONSES TO PETITIONS

MILK PRICES

Sessional paper 61, re rising cost of milk.

Hon. Mr. Riddell: I acknowledge receipt of the petition from the residents of 345 St. George's Senior Complex protesting the rising cost of milk.

While I can appreciate concerns with rising prices, in the case of fluid milk I have to point out that retail prices have been fairly stable over the past year and in some instances are lower.

The economics and policy co-ordination branch of OMAF conducts surveys of retail prices of milk in selected cities. The following figures are for two per cent milk in the four-litre pouch pack for Sault Ste. Marie and Toronto:

	Sault Ste. Marie April 15, 1986	Toronto January 15, 1986	Toronto April 15, 1986
Independent	\$3.64	\$3.77	\$3.77
Corporate chain	2.79	3.09	2.71
Jug milk	3.79	3.74	3.84

The four-litre pouch pack of two per cent milk accounts for approximately 60 per cent of all fluid sales in Ontario.

I would also like to point out that in Ontario there are no controls on the price of milk beyond the farm gate. There is a highly competitive market for fluid milk, and this competition has benefited consumers.

RENTAL HOUSING

Sessional paper 75, re tenants in the Oakwood-Vaughan-St. Clair-Bathurst area of the city of York.

Hon. Mr. Curling: Thank you for your petition tabled in the House on June 17, 1986, regarding your concerns with the loss of affordable rental accommodation in your area.

I too have become very concerned over the severe depletion of reasonably priced rental housing stock because of renovations and conversions. Last December, when I announced the government's long-term assured housing policy, I indicated that we would take a strong stand against such efforts.

As you may know, on July 10, 1986, the Legislature passed the Rental Housing Protection Act, which places strict controls on all types of conversions, demolitions and luxury renovations of rental housing stock requiring vacant possession.

The legislation also prohibits the sale of an interest in a common ownership housing venture, such as an equity co-operative, without the approval of the municipality.

Under the legislation, a proposal to convert, demolish or extensively upgrade rental housing will be reviewed by the local municipal council. Under this act, municipalities may approve applications where a building is unsafe, where the applicant has provided housing for the current tenants and provided new and equivalent rental housing in the same area or where the municipal council is satisfied the proposal does not adversely affect the availability of affordable housing.

The decision of the municipal council may be appealed to the Ontario Municipal Board, and the board's decision may be appealed to the cabinet. The strict controls will ensure the protection of Ontario's valuable rental housing stock. Your consideration in bringing your concerns to the attention of the Legislature is very much appreciated.

HIGHWAY CONSTRUCTION

Sessional paper 96, re Dubreuilville Secondary Highway 519.

Hon. Mr. Fulton: 1. Secondary highways are normally designed to an 80-kilometre-per-hour design speed or better. There are some curves on this highway which do require advisory speed signing. This is no different from many other such highways in the province. During the design stages of this project, it was determined that with the limited funding and the rocky terrain, all curves could not be designed to this standard. At some locations, a reduced design speed was utilized to realize appropriate cost savings. These will be signed accordingly, and adherence to the posted speeds should permit a safe and comfortable operation.

2. This section of highway requires a change in elevation of 39 metres over 650 metres. To accomplish this, gradients of 7.555 and 8.617 per cent with appropriate vertical curves were used for the design. The maximum grade normally used with a design to an 80-kilometre-per-hour speed is eight per cent, whereas 12 per cent would be used for a design speed of 70 kilometres per hour. The concerns of the truckers raised at public meetings have been recognized. Their concerns resulted in a redesign of the sharp horizontal curve on the hill; i.e., the existing road has been straightened to improve the situation. Any changes to the grade at the top or bottom of the hill would have little effect on this gradient, and the costs would be very significant.

3. This curve has been designed to the ministry's design speed of 80 kilometres per hour. This is the minimum curve standard normally used for the design of secondary highways when consideration is given to the type of terrain, the traffic volumes and the cost factor. Present annual average daily traffic is 290 vehicles.

4. The present Bailey bridge at the entrance to Dubreuilville was discussed during the design phase of the projects with the public, representatives of the improvement district of Dubreuilville and Dubreuil Brothers. This type of bridge is commonly used on low-volume secondary highways. It was not the ministry's intent to replace the structure when the road became a highway. Replacement will be considered when structural deficiencies became apparent or when there are severe hardships to the community because of width or weight restrictions on the structure. Neither of these conditions appears to be

applicable to the Bailey bridge over the Magpie River. It will be regularly inspected and maintained to extend its service life. It was placed in 1979, and in 1981 the improvement district was advised of the ministry's position with respect to this Bailey bridge.

In summary, this road is being constructed to normal design standards for secondary highways and should provide a satisfactory transportation facility to serve the community of Dubreuilville. Although it is not mentioned in the petition, the improvement district requested wider surface treatment on the curves. Recently, a decision was made to surface treat the entire length (curves and tangents) of Secondary Highway 519 to a width of seven metres or 23 feet. The contract to surface treat the completed portion from Highway 17 easterly 15 kilometres has recently been tendered. The grading contract for the remaining 15 kilometres is well under way, and surface treatment is to be applied next year.

SALE OF BEER AND WINE

Sessional paper 110, re sale of beer and wine in certain grocery stores while excluding other grocery stores.

Hon. Mr. Kwinter: This acknowledges the petition of July 3, 1986, expressing the views of the employees of Zehrs Market, Briardale Plaza, Cambridge, on the sale of beer and wine in independent retail food stores.

As the petitioners may be aware, the government is proceeding with its commitment to introduce legislation to broaden the distribution system for these products. Our intention is to modernize the approach to liquor handling in this province and expand opportunities for small business. We believe there will be many positive benefits through enhanced competition.

Since last summer, I have been consulting with a wide range of interested parties from business, labour and the social and health field, including representatives from the United Food and Commercial Workers Union. I have also received a great deal of correspondence on this issue. Some of the groups and individuals expressed concerns similar to those in your petition. Others have expressed strong support for the initiative.

As the policy comes forward for public scrutiny and debate in the Legislature, it will be evident that we have made every effort to address all the issues in a reasonable and responsible manner.

PROPERTY ASSESSMENT

Sessional paper 125, re York residents' property tax.

Hon. Mr. Grandmaitre: The petitioners claim that the taxpayers of the city of York pay "the highest property taxes in Metro Toronto" but still suffer from "bad roads, poor snow removal, backed-up sewers and insufficient services." The ratepayers point to York's small commercial-industrial-business sector as the major cause of their tax-related problems.

Property tax bills in the city of York include amounts for education and Metro as well as for city purposes. The cost-sharing procedure used to distribute taxes for education and Metro purposes throughout Metropolitan Toronto is such that the city of York receives a benefit from the larger commercial tax bases in the other area municipalities. Taxes for these purposes represent approximately 65 per cent of the average residential tax bill in the city of York.

Average residential taxes for the city's purposes are approximately 17 per cent higher than the comparable taxes in the other area municipalities. Perhaps this could be attributed to the city's relatively smaller commercial tax base. However, under the Ontario unconditional grants program, the city of York receives a resource equalization grant of about \$3.5 million as partial compensation for its relatively lower assessment base. Converting York's REG to an equivalent assessment would add about 12 per cent to the city's current assessment base, bringing it closer to the Metro average.

In addition, in per household terms, York receives the largest amount in unconditional grants compared to the other area municipalities.

In overall terms, when we compare residential taxes as a percentage of household income, York's tax levels equal the Metro average at about 3.2 per cent.

It is noted that the petition makes reference to "special direct grants" provided to Sudbury by the province. Although it is unclear what the petitioners are referring to, it is acknowledged that temporary special assistance was provided to municipalities in the region of Sudbury to mitigate the financial impact resulting from the municipal reorganization in 1973 and that special grants have been proposed to offset the impact of a region-wide reassessment introduced for 1986. Nevertheless, neither of these grants seems relevant, given the context of this petition.

TAX RATE INCREASES

Sessional paper 133, re Fort Erie tax rate increase.

Hon. Mr. Grandmaitre: As a result of the formation of the regional municipality of Niagara in 1970, the town of Fort Erie was restructured to include the former town of Fort Erie, village of Crystal Beach, township of Bertie and township of Willoughby.

The new town consisted of four merged areas for taxation purposes, each identified with one of the previous municipalities. The assessment and equalization factor for each merged area remained the same after regionalization as before, since there was no reassessment at that time to provide a common assessment base. This resulted in different mill rates for each merged area.

Sections 129 and 131 of the Regional Municipality of Niagara Act and section 7 of the Unconditional Grants Act provides that a municipality with merged areas shall calculate its mill rates on a merged area basis.

From 1970 to 1972, the town used the merged area apportionment to produce its mill rates. In 1973, contrary to the provisions of the Unconditional Grants Act, the town collected school charges on a uniform mill rate throughout the merged areas.

The rationale behind the Ontario Unconditional Grants Act provision regarding the maintenance of the established rate system existing at the time of merger was a simple one. Assessment of the same home in each of the four areas of Fort Erie differed. Within the boundaries of the town of Fort Erie, the same home could be assessed in ward 1 at \$4,200, in ward 2 at \$4,350, in ward 3 at \$6,180 and in ward 4 at \$3,735. The only way the assessment could be changed was by going under the provisions of section 63 of the Assessment Act and going to market value. Otherwise, the rolls are frozen. The assessment in Fort Erie must remain in the same state.

Thus, the taxes levied on the assessment, to be equitable, have to maintain different rates. However, in 1973, the town moved to uniformly change the rates for school purposes and then, in 1978 and 1980, successively changed the other rates so that now ward 1, ward 2 and ward 4 all have the same mill rate for the most part, despite the fact that the assessment upon which the mill rates are based varies. The present administration

has inherited a problem that has developed over the past decade and a half.

Cambridge field office staff has had numerous contacts with town staff and council, through meetings and correspondence, to discuss the situation of improper mill rate calculation. The town's solicitor and its auditor commented to the town in writing concerning the calculation of the mill rates and potential problems which might arise because the town has not been following the legislation.

In July 1985, the assistant deputy minister wrote to the town, reminding it of its obligations under the previously referred to legislation, recommending that a section 63 study be carried out in 1986 by the Ministry of Revenue.

The town was faced with two problems in 1986: a larger budget increase than it would like and the improper calculation of mill rates. Council had two choices: either request and implement a section 63 reassessment or calculate the mill rates according to the legislative authority, using the proper merged area apportionment. Council did request the first stage of a section 63 impact study from the Ministry of Revenue but decided not to request the second stage of the study.

The section 63 reassessment program has been developed to allow municipalities to tax their properties on a fairer basis. Such reassessment has worked extremely well in a great number of municipalities across Ontario.

Council decided to move back to the merged area apportionment it started with in 1970. It was this decision that led to the 1986 impact on ward 4 mill rates. Attached to this letter is a schedule illustrating the impact of both the budget and change in system on the mill rates. This shows that, overall, the budget increases for the town, region and school board had more impact on mill rate increases than did the change in mill rate calculation.

The ward 4 residents of Fort Erie have been experiencing a benefit conveyed to them by council over the years, and residents in other wards have been paying a greater share of taxation. Certainly these other residents have grounds to feel they have been unjustly taxed in the past. It was time for the council to take action and, as mentioned, it did have alternatives from which to choose. The council has moved to regularize the situation.

**Town of Fort Erie
Comparison of own purposes mill rates
1985 versus 1986**

	A Mill rate by ward 1985	Increase by % B-A*	B† Mill rate by ward 1985	Increase by % C-B**	C Mill rate by ward 1986
Residential and farm					
Ward 1	60.40	3.59	62.57	15.73	72.07
Ward 2	60.40	-2.52	58.88	14.80	67.82
Ward 3	41.17	-.63	40.91	15.10	47.13
Ward 4	60.40	10.51	66.75	16.79	76.89
Commercial and industrial					
Ward 1	71.06	3.59	73.61	15.73	84.79
Ward 2	71.06	-2.52	69.27	14.80	79.79
Ward 3	48.43	-.62	48.13	15.11	55.45
Ward 4	71.06	10.51	78.53	16.79	90.46

†Based on merged area apportionment.

*Increase due to change of system (B-A).

**Increase due to budget increase (C-B).

**Town of Fort Erie
Comparison of regional levy mill rates
1985 versus 1986**

	A Mill rate by ward 1985	Increase by % B-A*	B† Mill rate by ward 1985	Increase by % C-B**	C Mill rate by ward 1986
Residential and farm					
Ward 1	41.88	3.61	43.39	9.02	47.17
Ward 2	41.88	-2.54	40.82	8.50	44.38
Ward 3	28.54	0.60	28.37	5.15	30.84
Ward 4	41.88	10.51	46.28	9.65	50.32
Commercial and industrial					
Ward 1	49.27	3.59	51.04	9.03	55.49
Ward 2	49.27	-2.52	48.03	8.48	52.21
Ward 3	33.58	-0.63	33.37	8.67	36.28
Ward 4	49.27	10.15	54.45	9.64	59.20

†Based on merged area apportionment.

*Increase due to change of system (B-A).

**Increase due to budget increase (C-B).

**Town of Fort Erie
Comparison of elementary school mill rates
1985 versus 1986**

	A		B†		C
	Mill rate	Increase	Mill rate	Increase	Mill rate
	by ward	by %	by ward	by %	by ward
	1985	B-A*	1985	C-B**	1986
Residential and farm					
Ward 1	52.14	8.67	56.66	9.17	61.44
Ward 2	52.14	-0.96	51.64	11.83	57.81
Ward 3	52.14	43.73	29.34	20.77	40.17
Ward 4	52.14	3.89	54.17	21.85	65.56
Commercial and industrial					
Ward 1	61.35	8.66	66.66	9.16	72.28
Ward 2	61.35	-0.98	60.75	11.83	68.01
Ward 3	61.35	-43.73	34.52	20.77	47.26
Ward 4	61.35	3.86	63.72	21.86	77.13

†Based on merged area apportionment.
*Increase due to change of system (B-A).
**Increase due to budget increase (C-B).

**Town of Fort Erie
Comparison of secondary school mill rates
1985 versus 1986**

	A		B†		C
	Mill rate	Increase	Mill rate	Increase	Mill rate
	by ward	by %	by ward	by %	by ward
	1985	B-A*	1985	C-B**	1986
Residential and farm					
Ward 1	46.75	6.35	49.72	9.58	54.20
Ward 2	46.75	0.06	46.78	9.03	51.00
Ward 3	46.75	-30.46	32.51	6.29	35.45
Ward 4	46.75	13.45	53.04	10.25	57.83
Commercial and residential					
Ward 1	55.00	6.34	58.49	9.60	63.77
Ward 2	55.00	0.07	55.04	9.02	60.00
Ward 3	55.00	-30.48	38.24	6.29	41.70
Ward 4	55.00	24.36	68.40	-0.67	68.03

†Based on merged area apportionment.
*Increase due to change of system (B-A).
**Increase due to budget increase (C-B).

HUMAN RIGHTS

Sessional paper 319, re removal of subsection 19(2) from the Ontario Human Rights Code.

Hon. Mr. Wrye: This is to acknowledge the receipt of a petition from the member for Brampton (Mr. Callahan) concerning the repeal of subsection 19(2) of the Human Rights Code. Specifically, the petition urged the Ontario government not to repeal the section in question, which now permits athletic activities or facilities to be restricted to members of one sex.

Since the submission of the petition, the Ontario Court of Appeal has held that subsection 19(2) violates the equality rights provisions of the Canadian Charter of Rights and Freedoms and is therefore of no force or effect in its current form.

Additionally, the standing committee on administration of justice, in its consideration of Bill 7, An Act to amend certain Ontario Statutes to conform to section 15 of the Canadian Charter of Rights and Freedoms, has voted in favour of repeal of the section in question. This bill will be

given third and final consideration when the Legislature reconvenes in October.

It should also be pointed out to the signatories of the petition that repeal of the section will not have the effect of mandating integrated activities. Rather, it permits one sex to have the opportunity to try out for a berth on any team; those with insufficient abilities, of whatever sex, will have to compete elsewhere.

In response to the concern that women's facilities or activities will suffer through the repeal of subsection 19(2), the Attorney General has pointed out that both the charter, subsection 15(2), and the Human Rights Code, section 13, permit "special" or "affirmative action"-type programs to help disadvantaged groups. In this case, therefore, athletic activities or facilities could be restricted to women on the basis that such restriction will "assist disadvantaged persons or groups to...achieve equal opportunity" (subsection 13(1) of the Human Rights Code).

I trust this information will be of assistance in responding to the petition at issue.

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No. 51

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Legislative Assembly of Ontario



Second Session, 33rd Parliament
Tuesday, October 21, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, October 21, 1986

The House met at 2 p.m.

Prayers.

MEMBERS' STATEMENTS

HOSPITAL BEDS

Mr. Swart: At this time, I call upon the Minister of Health (Mr. Elston) to review with great care the recommendation of the Niagara District Health Council to reject additional chronic care beds for the Welland County General Hospital.

The situation there is extremely serious. At present, 60 of the 158 surgical and medical beds are being occupied by chronic care and extended care patients. This is causing a tremendous backup through the system, with surgery being postponed and unreasonable numbers of people being kept in emergency on stretchers. In September, a total of 103 patients waited on stretcher beds for an average of 19.8 hours each. Obviously some of them waited for several days with little comfort or privacy.

That situation is intolerable and must be rectified. The hospital board has asked the minister and the health council to provide immediately an additional 25 chronic care beds, with provision for another 25 by 1989-90. The minister must know that partly because of the long downturn in the south Niagara area, the Welland district has a higher than average ageing population. The 11.9 chronic care bed formula cannot be applied indiscriminately across the province or even in a region.

There may be need for the allotment proposed by the health council of 80 additional chronic care beds for Niagara Falls, 30 for Fort Erie, 25 for Port Colborne and 12 for Grimsby, but the need in Welland is comparable.

EXCEPTIONAL CHILDREN'S WEEK

Mr. D. R. Cooke: Some of us are being approached today to discuss the issue of alternative and independent schools. I do not want to confuse my comments with their arguments. My point is quite different.

This is Exceptional Children's Week in the region of Waterloo. Exceptional children may be recognized as children with special needs be-

cause of physical or mental impairment, communication disability, social and emotional maladjustments or enriched intellectual and creative ability. An ability or disability becomes a handicap when the child is unable to cope with daily life and develops negative feelings of self-worth.

The Canadian Council for Exceptional Children is meeting this week in Kitchener with the theme "Challenging, encouraging and caring." The Minister of Community and Social Services (Mr. Sweeney) and the member for Middlesex (Mr. Reycraft), the parliamentary assistant to the Minister of Education, are joining them.

The Canadian Council for Exceptional Children is an organization that promotes the advancement and education of all exceptional persons through the enhancement of community awareness and the development of special needs programs so that a community is always challenging, encouraging and caring for all its exceptional persons. We wish them well.

THOM COMMISSION

Mr. Gordon: The government has just admitted that we may see the Thom commission's report by the end of this year but that it could take even longer. The inquiry has already cost taxpayers more than \$2.5 million. The Globe and Mail reports an aide to the Minister of Housing (Mr. Curling) as saying, "If we don't like it, we'll dismiss what he says." I think the landlords and tenants of this province have a right to know where this report is going and what its purpose is.

In 1984, after volume 1 of the commission's report was released, the Premier (Mr. Peterson) stated that the government should scrap any further inquiry. With the government's agenda of passing Bill 51, what possible purpose could Thom's massive report serve? Has the government not already made its decision on rent controls? Is Mr. Thom's report not merely the flogging of a dead horse? Why is the government continuing to pay Mr. Thom \$250 a day to prolong a redundant inquiry, which by the Premier's own admission should have been scrapped two years ago?

After submissions to the inquiry ended in 1985, we were told that the Thom commission would be ready by this past summer. What happened? Why has the government not told Mr. Thom to hurry the report? More important, why is the government condemning years of testimony and analysis to a dusty bookshelf?

I think I can answer those questions. The government is appearing to favour an objective inquiry when it has already made up its mind on rent control. I ask the government, is this open-minded? Is this democratic?

OCCUPATIONAL HEALTH AND SAFETY

Mr. Martel: I recently received a report in a brown envelope concerning health and safety in Ontario and the swamp. It involves the role of various officials in the Ministry of Labour in their attempts to keep these cases under wraps. I have the documentation on each of the charges levelled against ministry staff, the names of those staff and so on.

The charges of coverup and failure of government, including the Attorney General (Mr. Scott), to respond are so serious that hearings are being held and lawyers do not even show up at them. Can members imagine? There is constant interference by directors against their own inspectors in the ministry. Orders have been issued by the inspectors, and supervisors on their own, without advising the inspectors, revoked the orders.

I suggest the little inquiry that is going on by Coopers and Lybrand was ordered to prevent all this material from coming to the fore. It is my intention over the next couple of weeks to raise these issues one by one, all 27 of them, and the coverup, so that we get a proper inquiry into the conduct of senior Ministry of Labour staff.

ONTARIO ROAD MAP

Mr. Sheppard: It was recently brought to my attention that on the 1986-87 official road map, the hamlet of Codrington was moved from Highway 30 to the junction of county roads 25 and 27, about seven kilometres west of its actual location. Furthermore, if one is looking for the hamlet of Morganston, one will not find it, because on the map Codrington is where Morganston should be. Confused? So am I.

Despite the fact that Codrington is home to only a handful of individuals, those people still have families and friends who would probably like to visit some day. It is perhaps a bit unnerving to discover that Ontario road maps are not as trustworthy as we all assume.

With the government's emphasis on tourism, especially in the east, the Ministry of Tourism and Recreation "offers incentives to major public and private tourist operations in an effort to attract more people to eastern Ontario." What good will that do when visitors become confused about where they actually are? Ontario—now that is what I call incredible.

I therefore invite all members of the Legislature to take a good look at a map to make sure that all the hamlets in their ridings are in their proper locations. I will send this small road map over to the Minister of Transportation and Communications (Mr. Fulton) so he can see.

PENSION FUNDS

Mr. Warner: The government's inaction on protecting workers against pension theft—corporate piracy, as the courts have called it—is inexcusable. An individual by the name of Bill Sinclair purchases a company, MAN Lepper, one day and sells it the next day. For owning a company one day, he is ready to help himself to \$1 million in the surplus in the pension funds. The Pension Commission of Ontario finds that its hands are tied in assisting the workers, because we do not have adequate legal protection for the workers in the province. Those employees stand to lose what is rightfully theirs.

Individuals such as Mr. Sinclair and others are free to exercise their piracy in helping themselves to workers' pension surplus, and the government sits idly by and allows it to happen. In the old days, I suppose, piracy on the high seas was acted upon by having capital punishment. We do not do that any more, but the least the government could do is to bring in the necessary legal protection so that workers are no longer subjected to the piracy that is being practised on them through their pension plans. This government stands condemned on the pension issue.

NORTHERN REGIONAL TREATMENT CENTRE

Mr. Gordon: I would like to address my opinion to the Minister of Correctional Services (Mr. Keyes) and ask when he is going to put the treatment centre, the prison for psychologically disturbed prisoners, in the Sudbury region. For him to go in and tell the city that the site it has offered him for \$1 is too rocky is ludicrous. The north is rock. When is he going to act on this? This is long overdue, and it is a shame he has taken this attitude with the region of Sudbury.

14:13

STATEMENTS BY THE MINISTRY AND RESPONSES

INTERNATIONAL COMMERCIAL ARBITRATION LEGISLATION

Hon. Mr. Scott: Later today I will have the pleasure of introducing the International Commercial Arbitration Act. This act will implement in Ontario a model law on the subject prepared by the United Nations Commission on International Trade Law. Implementation of the model law will make the Canadian law more favourable to international arbitrations for the benefit of Canadian businesses that face arbitration clauses in most of their foreign contracts.

Our business people will be both more familiar and more comfortable with the new arbitration procedures. In addition, they may benefit from having arbitrations take place here rather than abroad because of our modern and internationally recognized code. In this connection, I advised the House earlier this year that I was appointing a committee to advise me on whether the new climate we are creating for international business in Ontario would make it desirable to set up an international arbitration centre. This has the potential to facilitate further international business by Ontario firms.

The proposed act is made necessary in Ontario by the outdated provisions of our present Arbitrations Act. Unlike the existing act, the new legislation strictly bars the courts from intervening in the course of an arbitration or from considering the merits of the dispute between the parties. The philosophy of the model law is that, to the greatest extent possible, arbitration should be recognized as a private means of settling a dispute. The parties who have agreed to arbitrate should not be able to delay proceedings by dragging them into court.

The Foreign Arbitral Awards Act, 1986, which was Bill 98, passed by this House in July, provided for the enforcement of awards from arbitrations conducted outside Canada. The proposed act goes further by prescribing rules for conducting such arbitrations in Ontario. The model law will be a complete consolidation of all provisions relating to international commercial arbitration, and in fact it will include the provisions enacted in Bill 98 last July. Bill 98 was needed to meet a federal deadline and now can be repealed in favour of our new statute.

By providing the most modern rules for international arbitration, ones recognized around the world through the offices of the United Nations, we will keep Ontario competitive with

the other provinces and a leading participant in the development of private international law in the field of arbitration. I invite the House to act and carry out this proposed regime.

Mr. O'Connor: By way of brief response to the announcement by the Attorney General, I would comment with interest on one point he makes in his statement. He says the necessity for this law is brought about in part by a desire to serve parties who have agreed to arbitrate and to ensure that they not be able to delay proceedings by dragging them into the courts.

I wonder about that statement coming from the man who is in charge of our court system. If it is such a threat that people can be dragged into the courts, and if there are delays in the court system sufficient to trigger this kind of legislation, why does he not do something about the delays in the court system? Why has he not done something about them to date?

I wonder too about the incompetence of this government in bringing forth this legislation approximately six weeks or two months after having passed a previous piece of legislation designed to take care of this problem. As the Attorney General admits in his statement, part of this bill will be to repeal the previous bill.

The model law to which this is designed to give effect is the United Nations model law, which has been in effect for several years. The Attorney General knew this model law existed in the early part of this year when he introduced the Foreign Arbitral Awards Act. Why go through the process of three readings in the House only to repeal it six weeks later and start all over? Can they not get their act together over there?

Ms. Gigantes: A word in response to the announcement by the Attorney General of the international commercial arbitration bill, which we will be considering. On behalf of my caucus, I am sure I can say we look forward to dealing with this bill. We will subject it to the thorough review it merits. Our approach is quite different from that of my friend in the Conservative party, in that we are very much in favour of staged progress in this process. As we stage these little fillips that we provide for business to make business life more orderly and easier in Ontario, we expect the passage of this bill will provide us with the next step in our equal pay legislation, and so we welcome it doubly.

ONTARIO PUBLIC LIBRARY WEEK

Hon. Ms. Munro: It gives me great pleasure to rise today to announce to my colleagues the second annual Ontario Public Library Week.

This year, Ontario Public Library Week runs from October 20 through October 26. This initiative will show the people of this province the quality and value of Ontario's public library system.

Our motto is "Celebrate Ontario Public Library Week," and our theme is "Libraries are more than just books." Yesterday my ministry launched the week with a fashionable look at libraries, a presentation highlighting the variety of programs and services available through our public library system. Ontario's libraries offer a diversity of materials and entertainment that accurately reflect the nature of our province and the world in which we live.

Whether as a source of information or as a centre of community activity, Ontario public libraries make invaluable contributions to the high quality of life we enjoy in Ontario. Ontario public libraries play a critical role in the development of our social and cultural consciousness. They are an essential part of our identity as Ontarians.

Ontario can be justifiably proud of the fact that public libraries reach 99.56 per cent of our population. There are more than 400 public library boards across Ontario, with 1,738 outlets or branches serving Ontarians. During Ontario Public Library Week, many of these boards and outlets will hold their own events.

I encourage each one of my colleagues, along with every resident of Ontario, to join us in celebrating Ontario Public Library Week and to discover the wealth in Ontario public libraries.

Mrs. Marland: In rising to share in the recognition of Ontario Public Library Week, I wish to say there is an omission in the statement, which does not recognize that public library boards are generally filled totally by volunteers. Some library boards, as we know, have elected officials on them, but in the majority it is volunteers who serve as members of those boards and commit a great deal of their personal time, wisdom and knowledge for the benefit of everyone throughout the public library system.

We are well aware that there is a tremendous concern of librarians all over this province about the shortage of funding. Is it not a shame that this announcement could not have included the same commitment to funding that the former government recognized in the needs of libraries and the people who use them?

Mr. Warner: I welcome the statement made by the real Minister of Citizenship and Culture with respect to the public libraries. I hope the government shares the view that libraries have a

tremendous challenge ahead of them in the next decade, the challenge of making sure our libraries are relevant to all our communities, not just the Anglo-Saxon community. They must respond to the very individual needs of every one of our multicultural communities. They have a very active role to play with respect to the cultural community, meaning the arts community as well.

The underfunding is something that cannot be ignored. The former government did not have the kind of enthusiasm I think should be reflected in government policy. This government has a challenge to meet the necessary funding levels. If it fails, then we do a great disservice to generations to come, because the building of libraries is not something that can be done every 10 years. It is an ongoing process; therefore, it commands a certain high level of funding every year.

I hope the government will be up to this challenge. So far, there is not the kind of indication about which I believe we could all feel confident.

14:23

ORAL QUESTIONS

TARIFFS ON SOFTWOOD LUMBER

Mr. Grossman: In the absence of the softwood brothers, I have a question for the Minister of Intergovernmental Affairs. We noted in the Globe and Mail this morning that the Premier was trying to run quickly from the inaction of his colleagues on the softwood lumber issue. We looked back at last Thursday's Hansard, in which the Minister of Industry, Trade and Technology (Mr. O'Neil) said, "Our officials have been working very closely with Miss Carney and we feel we have had a lot of input."

How does the Premier reconcile that statement, which, I remind him, was made two and a half weeks after the federal minister indicated her willingness to accept the 10 per cent surcharge, with his attempts to suggest that his government was snookered on this issue?

Hon. Mr. Peterson: In my capacity as the Minister of Intergovernmental Affairs, I am very happy to respond to the honourable member's question.

By way of preamble, the two ministers are at this very moment meeting with Miss Carney and other federal and provincial industry officials with respect to developing some sort of co-ordinated response.

I do not see the discrepancy that the member points out. When those discussions were going on, the Ontario view of the situation was very clear to us and to others. The view, and the advice we gave, was not to negotiate that particular situation. That is clear.

The member will be aware that Miss Carney went to Washington and announced to the world that she was prepared to negotiate the situation. It came as a complete surprise to Ontario officials and, I assume, to a variety of others. Clearly, a number of Industry, Trade and Technology officials were also not aware of it. There were subsequent meetings and, in the interest of presenting a united front and not a divided front, Ontario went along. However, I do not want the member to get an erroneous impression of what transpired over that period.

Mr. Grossman: Clearly, what happened over that period was that Ontario perhaps objected at first to the suggestion that there be an offer, but ultimately, instead of speaking for Ontario and fighting hard against the imposition of a tariff which will cost more jobs in northern Ontario than a lottery office in Sault Ste. Marie will create, the Premier decided to go along.

The minister indicated yesterday that the government was prepared now to fight what it endorsed a couple of weeks ago. With that in mind, can the Premier tell me the details of the major meeting that was held on this very question in Washington yesterday, what it was about and who represented Ontario?

Hon. Mr. Peterson: Ontario did not have a representative at the meeting in Washington yesterday, if in fact there was one in Washington.

There were meetings here in Toronto yesterday with officials, represented by the Deputy Minister of Natural Resources, the Deputy Minister of Industry, Trade and Technology and industry representatives. There were meetings this morning with the same officials, I believe, and this afternoon the ministers are meeting. There are ongoing meetings with respect to this issue.

Mr. Grossman: After the handwringing the minister went through yesterday about this problem and assuring everyone that he would fight hard to reverse his earlier decision, I am shocked that the Premier would rise today and indicate that no one spoke for Ontario, that no one was there yesterday representing Ontario's interests at a key meeting in Washington. Let me tell the Premier what he, his trade minister and their officials missed.

Mr. Speaker: By way of supplementary, I hope.

Mr. Grossman: Yesterday there was a disclosure conference at the International Trade Commission offices in Washington to give the factual basis upon which they reached their decision.

That would allow the Premier and his trade minister to mount the case to defend Ontario's interest and point out that the 15 per cent levy should not be put in place. After having assured the House yesterday, again, that he would fight, he did absolutely nothing. He did not even go to get the basic information upon which he could protect Ontario's interest.

Mr. Speaker: Question.

Mr. Grossman: Can the Premier explain to the House why it was that yesterday, at this major disclosure meeting in Washington, he did not even arrange for a single Ontario official to be there to get the details which will allow him to—

Mr. Speaker: Order. The Premier.

Hon. Mr. Peterson: With great respect to my friend opposite, who will want to take his views to his federal kissing cousins, who have been in charge of carriage on this matter—and he will want to do that and discuss it with Miss Carney, who is in town this afternoon—that is about the silliest suggestion I have heard from him in a long time.

The meetings were here yesterday with industry officials, federal officials and others. They are meeting again today. We have copies of the judgement that was brought down by the ITC. I think that he, in candour, should probably stand up in this House and apologize for what some of his members were saying yesterday in quoting only parts of the judgement.

14:30

On page 17 of the judgement, it said Ontario was the only province that provided full information. One of the members, the one who is wagging his head, inadvertently gave incorrect information to this House yesterday. I think he will want to stand up and say Ontario was the province that was forthcoming in this regard and that it carried its case extremely well. This case has been well handled by our officials in charge of it. They are on top of the situation on a daily basis. I regret the way this has turned out. I think the member will want to take some of his suggestions to his federal brethren.

Mr. Grossman: The Premier will recall lauding the Prime Minister of the country so generously for bringing Canadians together. Of

course, the Premier was in Tokyo at the time. I invite the Premier to get his staff, each of whom earns at least \$57,000 a year, to get a copy of this before the end of question period and send over page 17. Then we will have an opportunity to see whose information is correct.

IMPORT SURTAX

Mr. Grossman: With regard to defending Ontario's interests, we know the United States is entering into even more steps with regard to defending itself against imports from a lot of countries, including Canada. Can the Premier tell us specifically what representations his government has made through the Ministry of Intergovernmental Affairs or the Ministry of Industry, Trade and Technology with regard to the Heinz-Murtha bill?

Hon. Mr. Peterson: The honourable member attacked me in this House for being generous or complimentary to one of my peers in this country. It would serve him well to have a generous thought about someone somewhere in this country at some time. I am one of those people who believes in being constructive where one can possibly be constructive and not destructive on all occasions, as seems to be the member's particular wont.

We are very much aware of what is happening in the United States. I was talking to Mr. Clark with respect to Ontario initiatives a few moments ago before I came into the House. We are very concerned about the potential impact on Ontario. It would be substantial. We are making our views known on that subject. If the member is telling me to stand up and shout and scream the way he is wont to do, I do not think he is being constructive.

Interjections.

Mr. Grossman: That is his imitation of the Minister of Industry, Trade and Technology (Mr. O'Neil).

I will take the Premier's advice. This afternoon I want to laud John Turner for his continuing support of freer trade negotiations in the light of recent developments. I invite the Premier to join in supporting all Canadians who want to negotiate so that these kinds of things do not happen. I laud Mr. Turner. The Premier should take his advice once in a while. My question to the Premier is this—

Mr. Speaker: Was that not your supplementary?

Mr. Grossman: That was not even close to an interrogatory.

Mr. Speaker: I was listening carefully.

Mr. Grossman: The Premier assured us a moment ago, as if he knew what the bill was all about, that he was going to protect Ontario's interests. Can he outline for us which interests he thinks are under attack and threatened by the Heinz-Murtha legislation?

Hon. Mr. Peterson: First, the member invited me to comment on Mr. Turner's approach to free trade. I am very interested to hear the new approach of the Leader of the Opposition. This is a man who has changed his mind on free trade about three times. His position is different from that of the members of the committee. The problem is that none of them, and particularly his, is credible on these issues. He keeps changing his mind. When Ontario speaks on trade issues, Ottawa listens, as do the other provinces; they do not when the member speaks.

I cannot add to the former answer. The member heard the minister speak yesterday about the question of the imposition of a flat import duty to the United States. We are discussing that with others, as well as making representation to the extent that this province has a voice in Washington.

Mr. Grossman: The United States Congress has been invited by the Heinz-Murtha bill to slap serious additional quotas on key Canadian products. The Premier does not even know what the bill is. He has taken no action and he does not even have the decency this afternoon to stand up and say he is going to request some information and going to fight it.

If he will not do that, I will repeat the question. Will he stand up this afternoon and say, in spite of his protestations that he will defend Ontario's interests, that candidly he does not know what the Heinz-Murtha legislation is and he has not taken any steps to inquire about it, and that a good period of time after it has been introduced, his Minister of Industry, Trade and Technology has not acted on it? Will he stand up and tell us what the Heinz-Murtha legislation is or tell us that he has done nothing about it?

Hon. Mr. Peterson: I find the member's approach in this House rather strange. He is not really interested in the information; he is interested in dragging people down to his level. I am not prepared to do that. He knows where we stand on these issues. He knows what has been done and he knows the public statements by the minister and myself on this matter. We will continue to do that.

NURSING HOMES

Mr. Rae: I have some questions today for the Minister of Health. I want to ask him some questions relating to the report of the Nursing Homes Residents' Complaints Committee, which bears the date of March 1986 but which was suppressed by the minister until its publication in September.

Was the reason the report was suppressed and not released until the minister felt he had some good news to report the fact that the report stated, for example, that the committee has found some homes that spend as little as \$2.10 per day on food? Can the minister tell us how this expenditure on food per day compares either with a general hospital or with what the Ministry of Correctional Services regards as acceptable in its detention centres?

Hon. Mr. Elston: I cannot tell the honourable member what the comparison is. I know all of us are concerned by that aspect of the report, and I want to indicate to the members that an expenditure of \$2.10 per resident per day is not an acceptable level. The report was quite interesting from several standpoints with respect to the overall industry. I can tell the member it has been very helpful from my standpoint as an internal document and for the people who have seen it since its release.

Mr. Rae: It is not an internal document, and the minister suppressed it. He suppressed it for a period of months because it contained some bad news that he did not want people to hear. He knows that, everybody knows it and it is time somebody blew the whistle.

For the minister's information, the Toronto General Hospital in October 1986 spends \$5.28 per day per patient and Ontario jails, detention centres and correctional centres spend \$4.29 per day per resident of those institutions. Given this appalling contrast in a comparison between a hospital and the nursing home figures that were released by Dorothea Crittenden in her report, would the minister care to comment on the following quotation from that report?

"In a profit-oriented system, operators are motivated to decrease costs—in this case food, staff, time, luxuries, etc.—in order to increase or maintain their profit margin. As a result, many aspects of the industry do not reflect the expectations of Ontario society in 1986."

Is that why the minister suppressed the report for six months?

Hon. Mr. Elston: I did not suppress the report. The member ought to know the report

goes on to indicate that the industry does have some very fine examples of people who provide top-quality care. He might want to indicate that is part of the report as well.

14:40

I am concerned about the parts of the report that indicate very strongly there are large concerns about the manner in which some facilities carry on. There is no question that is a concern to us. That is why we are moving to change the way the nursing home industry is administered.

The fact that we are going to have people who will be acting solely as consultants and others who will be looking at ways of enforcing the legislation is a clear indication of our commitment to ensuring that we have a role to play in upgrading the way these facilities are operating. We will continue to do that.

There are some concerns, but having spoken with Dr. Dorothea Crittenden, I must say she has indicated there are some very good performers inside the system as well. I know the member would want to indicate that clearly to the people of the province.

Mr. Rae: The report was suppressed by the minister. He had it in his hands in March 1986. He released it as part of a so-called good news package in September 1986. It is time the public knew what was in this report. It is a devastating critique of our nursing home industry. It is a devastating critique of the quality of life to which seniors are being subjected in many of these institutions that are run on a private-profit basis. The minister knows it. He sat on the report. He suppressed it. He did not release the information. Those are the facts, and they are on the record.

Is the minister aware that the report states that the average found by Dr. Crittenden for nursing homes was between \$2.50 and \$2.60? What does he intend to do to ensure that residents who are living in nursing homes are not subject to these substandards, these standards that are below a quality of life any reasonable person in Ontario would expect? What does he intend to do about it?

How does the minister justify the suppression of this information, together with many other clear-cut criticisms of the way in which this so-called industry is being run at a time when his government says: "We are an open government. We are a sunshine government. We want to help seniors"? He sat on a report for six months and did nothing about all the evidence—

Mr. Speaker: Order.

Hon. Mr. Elston: The honourable leader of the third party is wrong. We have moved to deal with several of the items in there. The document has been of use. We have put together several responses to it. We are continuing to work with the amendments to the Nursing Homes Act.

The people of the province will be proud of the nursing home operations. We are amending, we are moving forward with many of the incentives to make sure that the people in our nursing homes are well cared for. Our commitment is for no less than that.

This government is also committed to do what it can to help people remain in their homes. We are going to deal with this very sensitive question on many fronts. We will not give up or let up on our activities; we are committed to improving the lot of our seniors.

EXTRA BILLING

Mr. Rae: I would like to ask a question of the Minister of Health with respect to the continuation of extra billing and other practices by individual members of the medical profession.

Recently our office received a call from Gord Lake of Stouffville, who felt his wife, Audrey, was being refused surgery, or at least was being treated in a different way, because the doctor said he could not extra bill for the operation. This charge was sufficiently serious that my office phoned the doctor directly to inquire about what precisely had gone on.

The doctor stated that he would receive about \$450 for a cataract operation but only about \$240 for implant surgery, which he described as an operation of equal risk. Therefore, he said, he would not do the implant surgery because he felt it would "only make her more comfortable."

When we asked the doctor involved whether he would do it if the Ontario health insurance plan were to pay \$450, he told my staff, "It would be reasonable to do it for a higher price." He also said he knew of several doctors who were refusing to do so-called low-priced surgery.

Is the minister aware of the situation described by this doctor where certain doctors are declining to do surgery because they feel it is not sufficiently lucrative for them to do it?

Hon. Mr. Elston: Over the past several years there has been some indication, which has not changed over the past several months, that some practitioners are concerned about the level of benefits as set out under OHIP. I have not been aware until now of any physician who has said specifically, on that basis, that he or she will not perform surgery that is medically required.

Perhaps the member will tell us when he made these inquiries and how long ago it has been, so we can check into it. I am not sure, but we might be of some assistance in obtaining a referral, some other physician who would take on the medical procedure. I do not know. I do not have enough of the facts to go much further with this inquiry. If the member could share some of these examples with us in a timely manner, I am sure it would help us deal with the needs of the patient.

Mr. Rae: The information is being gathered by my office all the time. The minister will appreciate that it is of a sensitive nature. He will also appreciate that, obviously, no doctor is going to say, "I am refusing to perform a medically necessary operation because of the money involved." It appears to be the case in this instance that a doctor is saying the way he practises medicine is determined by the fees he receives. That causes me very deep concern, and it should cause the minister concern.

Will the minister comment on the letter that is sent to patients by Dr. Lorne M. Tarshis in Toronto, which states that he does not deal directly with OHIP but will deal directly with patients? I quote:

"OHIP allows a physician to charge patients directly for 'noninsured services.' Dr. Tarshis's fees include this charge. You will be responsible for payment of Dr. Tarshis's fees, but if this presents any financial hardship, please discuss the matter and the account will be adjusted accordingly. Payment of this account would be appreciated at the time of your visit to the office or following the rendering of services."

Mr. Speaker: Question.

Mr. Rae: Will the minister comment on the practice of doctors who put all the administrative fees in one bundle and say these fees will be charged to patients and the only basis upon which the fees will be removed is if patients have a financial discussion with their doctors?

Hon. Mr. Elston: I must ask the gentleman to share with us when this information came to his attention. If we are to deal with these incidents, which he is alleging are causing difficulties for patients, we must do so in a timely manner. Yesterday the member read to us from a letter he received July 16 and was unable to bring to my attention until yesterday. That is suppression of a kind we would have some concern about.

The honourable gentleman knows full well that when patients are in difficulty, I would like to know about it in a timely fashion. When people lump things together, I do not think it is appropriate that they do not provide some

detailed information for us so we can determine exactly what is happening. The gentleman knows that is the case; I will look into those situations if he can provide for me some disclosure of these items in a timely manner.

Mr. Rae: The minister knows perfectly well that he has correspondence from members of our party dating back to August to which he has failed to respond. If he does not believe me, we can document it for him. The instance I raised in my first question was a case that was brought to our attention and we discussed with the doctor this week. I say to the minister—

Mr. Speaker: Please ask the minister.

Mr. Rae: Is the minister aware that there are literally countless examples of doctors practising in Ontario who are routinely insisting on administrative fees as a matter of right in terms of the care they will give, that there are obstetricians who are as a matter of general practice and general rule insisting on a so-called standby fee that does not offer any guarantee with respect to service—

Mr. Speaker: Question.

Mr. Rae: Is he aware of those things that are taking place in Ontario today, October 21, 1986?

Hon. Mr. Elston: I am aware of the examples that have been brought to my attention, and we wish to pursue them. I invite members to keep those examples coming. Examples have been brought to my attention by various members, and we respond to them. The member knows we will look into each of those situations.

I can tell the members and the public that through our meetings with the Ontario Medical Association and the College of Physicians and Surgeons of Ontario, we are addressing these types of situations, which indicate that there is no clear definition of what is being charged and how it is being charged. When we have the detailed information we need to proceed against these situations, we will take the necessary steps.

I thank the honourable gentleman and all members here for bringing these items to my attention, but I must say there has to be timely disclosure so we can work away and full disclosure so we can work at this to protect the patients.

TARIFFS ON SOFTWOOD LUMBER

14:50

Mr. Pope: I would like to pose a question to the Premier. It has to do with the softwood lumber issue in the United States and here in Ontario.

The Premier will be aware from his recent study of this issue that, going back to 1962, the chief complaint in the US Congress and to the International Trade Commission emanated out of the stumpage and crown dues practices of British Columbia. He will also be aware that Senator Packwood was instrumental in having the House committee on ways and means request the ITC in 1982 to do an investigation and have public hearings on this matter in Portland, Oregon, with a specific emphasis on the Pacific Northwest and the British Columbia stumpage practices, and that this complaint is the major complaint today of the American producers.

Does the Premier not agree—and I acknowledge it is in hindsight—that it was a mistake for Ontario to link itself to the British Columbia position? Would it not be wiser for Ontario, while arguing the Canadian case that there was no subsidy in stumpage policies, to protect itself and claim an exemption for producing companies in Ontario because we do not have the same nature of policies that British Columbia does?

Hon. Mr. Peterson: The member raises an interesting question. He will be aware that our stumpage is roughly double that in British Columbia and in Quebec. I am aware that since the majority of the exports come out of British Columbia, the majority of the attention is on that area. We are second, roughly equal in exports with Quebec, even though Quebec has substantially lower stumpage than we do.

Because these things are not directed against particular provinces, but against countries, the question in national terms is, what was the best approach in this matter? Miss Carney, as well as federal officials, had carriage of this matter. The member can second-guess the decision and say that perhaps we should have gone to the US with two or three different positions or with a united position. I suspect that had we gone with a divided opinion, he would have been the first to stand up in this House and castigate us on the approach that was taken.

Frankly, our approach is to deal, where possible, on a national basis and to give the best advice we possibly can. Let me assure the member we did that. But when things happen, such as policies being announced in Washington by Miss Carney unbeknownst to us, they obviously put pressure on the situation.

As a former minister and having spent some time on this issue, the member is knowledgeable on this issue. I hope he will use the great credibility he has in this House as a former minister and as an outstanding member of the

Progressive Conservative Party to phone Miss Carney, tell her exactly what he told me and give her some advice on this matter.

Mr. Pope: I will be happy to try to do the Premier's job for him if he does not feel he can do it.

I refer the Premier to page 67 of the decision and indicate that he is obviously unaware of the suspension of liquidation provisions that are available to anyone who appears before the ITC. Why did he not avail himself of those provisions and help Ontario workers and industries?

Because he opted to go along with British Columbia and Quebec in the national consensus he went along with, can he tell us what proportion of the burden of the eight to 10 per cent solution is going to fall on Ontario workers and industries? Did he make a specific deal that Ontario would be exempt from the burden of that eight to 10 per cent solution?

Hon. Mr. Peterson: In the interest of causing a political fuss, the member, as is his leader, is making in his statement a bunch of assumptions that are not particularly valid in the circumstances. He is entitled to second-guess what has been done, but he should not for a minute pretend that what he is saying is the truth in these matters or that it would have absolutely happened, because he is quite wrong in the circumstances. I know exactly what he would say to me if we had taken different approaches in this matter. We gave the very best advice we could possibly give, but no one can say for sure what effect the indication made by Miss Carney to the US cabinet minister had on the ITC.

We are studying that judgement in great detail. The advice we are getting is that it is legally flawed and that there are ways in which it can be attacked. Our approach is to attack it legally, diplomatically and in every single way we possibly can. It is not our approach to try to negotiate a solution to this in the sense of admitting guilt. We have to fight this thing, because we believe it is wrong. That is the advice we are taking to the federal representatives, to the other provinces and to others.

My honourable friend, who used to have some friends in the industry and used to know them reasonably well, should avail himself of all the facts in this circumstance and talk to the industry about the role Ontario played in this matter. They will tell him, the ones who know the issue even better than he did when he was their lackey in 1983 and went down there—he was making the case they suggested to him; he was carrying their message; he was acting for them; he was not

acting for the government. Let me tell the member—

Interjections.

Mr. Speaker: Order.

PENSION FUNDS

Mr. Mackenzie: I have a question for the Premier, who has received a large number of letters from steelworkers, auto workers and other union members concerning a potential flaw in early retirement pensions for workers in the province.

The modification of the Canada pension plan to allow for early retirement at age 60 can be totally negated if early retirement benefits in existing private plans are able to take advantage of this incentive by reducing the private bridging benefits dollar for dollar. This can destroy the incentive for early retirement, which opens up employment and creates more enjoyment in the golden years.

Is the Premier prepared to respond positively and quickly to end this loophole in the plans?

Hon. Mr. Peterson: I have not seen the letters the member talks about. It may very well be the case. As the member knows, I get thousands of letters. I will take the point the honourable member raises in this House under advisement, I will review all the aspects with the minister responsible and the Treasurer (Mr. Nixon) and I will share the information from that review with him.

Mr. Mackenzie: I hope the Premier's staff will show him some of the hundreds and probably thousands of letters that have been sent to him on this issue.

Does the Premier not agree that Ontario should offer at least the same protection to its workers that Quebec did when it brought in such protective legislation in conjunction with similar modifications to the Quebec pension plan in 1984?

Hon. Mr. Peterson: We are reviewing the entire matter of pensions at present. We will be seeing legislation in the not-too-distant future.

If the member is asking me whether we should have the same legislation as Quebec in all regards, the answer is probably no. Quebec is looking at Ontario to do some of the things we are doing here. We have to tailor our solutions to the individual situation here.

As I said, I will take the point the member makes under advisement and share the results of our review with him.

SALE OF PATENTED LAND

Mr. Speaker: The Minister of Municipal Affairs has a response to a question previously asked by the member for Sudbury East (Mr. Martel).

Hon. Mr. Grandmaitre: In response to the question concerning the sale of leased lots on Fairbank Lake by Falconbridge Ltd., I want to reiterate my previous answer.

As the legal land owner, Falconbridge Ltd. has the right to subdivide and sell lots subject to the Planning Act approval given by the regional municipality of Sudbury. The authority to approve plans of subdivision in Sudbury was delegated to the regional municipality of Sudbury on August 1, 1978. The approval of the Falconbridge subdivision is entirely within the jurisdiction of the region. My ministry has no direct involvement or authority in this matter.

15:00

Mr. Martel: Since Inco, Falconbridge and other mining companies own hundreds of thousands of acres in the province, is this government prepared to remove the surface rights from the companies when we are talking about mines patent, so that they have only the mineral rights and so that where there is not going to be any surface work, they do not have the right to that? When we try to open even a dump up in the north, we have to get permission from the mining companies. Is the minister prepared to remove that right if they do not need the surface rights for mining purposes?

Hon. Mr. Grandmaitre: I have already spoken to the Minister of Natural Resources (Mr. Kerrio) about this problem. This problem started about 50 years ago, when the government of the day gave those mines the right to subdivide these lands. I am talking with the Minister of Natural Resources about that problem.

HOSPITAL BEDS

Mr. Callahan: About two months ago, the Minister of Health, in announcements regarding new health facilities, allotted some 380 acute care beds and 200 chronic care beds to the region of Peel. Peel Memorial Hospital in Brampton still requires 120 acute care beds to complete its acute care allocation.

All of these matters were subject to the district health council reporting to the minister. That report was to be received some time in October. I would like to ask the minister, have we received the report from the district health council on that item yet?

Hon. Mr. Elston: I thank the member for his question. It is important for all of us to understand that the process of planning for the institutional revitalization of our hospital sector has been progressing on par with what we had hoped. All of the health councils have indicated they will be meeting their objective of reporting back to me by the end of October. I am expecting very shortly a number of reports with respect to the allocation of those resources among communities.

I have to say to the honourable gentleman, however, that I am not aware at this point that the recommendations of the council in his area have come to the ministry. I will check on that to see whether they have been received in the last few days and get back to him with that advice.

Mr. Callahan: In addition, the minister indicated at the same time that there might well be an innovative health facility in that area. We have embarked upon a consultation report, which was referred by the Chinguacousy health services board to the district health council. That again was subject to some comment by the district health council to the minister. I would like to inquire whether that report is in yet.

Hon. Mr. Elston: At this point, I am unable to advise the honourable gentleman exactly what the health council has taken into consideration, although I am sure it is quite willing to do so and probably did take into account several proposals around its area of planning authority. I suspect that this was probably one of the items that came to its attention.

I am unable to tell the member today the extent of the recommendations, but I will check into it and see what the status of that report to me is and then get back to the member, so that he can have some idea of the time frame within which the ministry will be making a response.

FLOODING

Mr. Brandt: In the absence of the Minister of Natural Resources, who is undoubtedly working out a new position on the softwood lumber industry with his colleague the Minister of Industry, Trade and Technology (Mr. O'Neil), I will address my question to the Minister of Municipal Affairs.

The minister is undoubtedly aware of the extensive damage that has recently occurred as a result of high water levels in the Great Lakes system. That damage has involved extensive cost and erosion to shorelines. Some roads have had to be completely abandoned in my municipality. There have been a great number of costs

associated with the damage that has been done. While all this has been going on, we have been waiting somewhat patiently for the Ministry of Municipal Affairs, in concert with the Ministry of Natural Resources, to give some response to individuals and municipalities that have experienced this extensive cost related to the high water levels.

Will the minister indicate today what his ministry is prepared to do to undertake some form of co-operative partnership with municipalities to assist them in these tremendously high costs associated with the recent high water levels that we have just experienced and that we can anticipate we will be experiencing in the future as well?

Hon. Mr. Grandmaître: This government already did something about it four or five months ago. We have extended the program until March 31, 1987, and we are now looking at a long-term policy. There is a short-term policy in place and we are looking at a long-term policy. Any municipalities that are having a flooding problem should address the ministry. We have responded to every municipal concern.

Mr. Brandt: The short-term policy is inadequate and the long-term policy is not going to help those who are experiencing very critical problems at present.

Is the minister indicating to me that if municipalities are experiencing above-normal costs associated with flooding in the Great Lakes system, they can make application to his ministry and he will work out some subsidy program to assist those municipalities? Is that what he is saying in terms of an immediate response to a critical problem?

Hon. Mr. Grandmaître: We are doing this daily. We are trying to assist municipalities that are faced with flooding problems. We are doing it every day. I agree with the member that the guidelines are poor, but we inherited these guidelines. Now we are trying to improve them.

PENSION FUNDS

Mr. McClellan: I have a question for the minister responsible for pension policy, who is also the Treasurer, arising out of the answer tabled yesterday to question 335 in Orders and Notices, asking for information about surplus pension fund withdrawals from the Pension Commission of Ontario. The answer indicates that if a "plan is in surplus, then the employer may apply that surplus against the required current service cost without application to the pension commission."

In other words, companies can rip off the surplus of a pension fund as a substitute for their regular employer contributions. Is it the intention of the government—surely it is not—to allow that additional piece of legalized theft to continue in the Pension Benefits Act?

Hon. Mr. Nixon: The honourable member is referring to a situation where a surplus above and beyond the 125 per cent required under the regulations exists and where additional payments from the company concerned are forgone, so that the surplus above that point does not accumulate. I believe that is the present policy, but as the Premier and the minister have indicated, the matter is under review and we hope to have legislation before the House for consideration.

Mr. McClellan: Let me get this straight. The government is proposing a pension reform law which does not provide inflation protection, does nothing to end the legalized theft of pension surpluses and fails to protect workers against the kind of ripoffs that my colleague from Hamilton East (Mr. Mackenzie) identified this afternoon. Even the vesting provisions are not retroactive, so all moneys invested until the end of this year will still be subject in perpetuity to the 10-and-45 rule. Is that the government's idea of pension reform? Is that the best it can come up with?

Hon. Mr. Nixon: I do not know how even the fevered mind of the member could draw that conclusion from my answer, which I thought was rather innocuous. I indicated that we are aware of the situation the member brought to our attention, that we are concerned about it and are reviewing it and that we hope to introduce legislation.

15:10

TREATMENT OF PRISONERS

Mr. Sargent: For the record, I want to convey to the Solicitor General, for whom I have the greatest respect, my concern about the local jails up our way taking prisoners who have to go to hospital or to a funeral in handcuffs and leg irons. It is a system that is very medieval and we should put a stop to it. I hope the Solicitor General will have a look at that.

Mr. Speaker: Minister, will you have a look at that?

Hon. Mr. Keyes: I will be happy to have a look at anything the honourable member puts forward. May I suggest that we must look at such issues as the offence for which a person has been brought into our keeping. We try to use common

sense and discretion at any time when restraints are needed. We are always looking.

Mr. Sargent: The fact behind this is a young chap who is in jail. His grandmother was dying. Two guards took him to the hospital in handcuffs and leg irons and he had to shuffle to the bedside and kiss her goodbye with handcuffs on. All our staff in the penal system should be aware that there should be a sense of decency in everything we do.

Hon. Mr. Keyes: I did not hear a question.

SCHOOL FUNDING

Mr. Davis: I have a question for the Premier. There seems to be a significant difference of opinion between two members of the cabinet, which is not unusual. In March, the Minister of Education (Mr. Conway) told the Ontario Secondary School Teachers' Federation provincial assembly, "We do not intend to fund private schools." In April, the Solicitor General (Mr. Keyes) told the Kingston Whig-Standard, "I presume we will be providing funding in the private schools in the not-too-distant future." Will the Premier indicate to the House today which of his cabinet ministers was speaking for the government?

Hon. Mr. Peterson: I will be happy to do that if the honourable member will tell me which of those guys opposite speaks for his party. Mr. Speaker, you can imagine the frustration for a government in a minority situation that is attempting in a spirit of generosity to work with all the parties in this House, trying to accommodate their individual needs and their particular views on issues. Believe me, to have 17 different views on every single issue from the party opposite causes frustration for the government.

I want to be very clear. My colleague to the right is not a shrinking violet. He speaks for the government on educational policy. The member will be aware that he is in possession of the Shapiro report. The government is looking at it at the moment. It is not the government's policy at the moment. If the member has any further questions, he should direct them to my friend beside me.

Mr. Davis: On April 28, 1985, the Premier was quoted in the Toronto Star as saying, "The Liberal Party has advocated the establishment of a select committee of the Legislature to conduct open and public hearings into the manner in which public funding might be extended to alternative and independent schools." Now that the Shapiro report has been tabled, will the Premier give an undertaking to this House that

the committee will be established prior to the spring session?

Hon. Mr. Peterson: As I said, this is an open government. We are always looking at any good suggestions that are around. I have no problems with committees examining this or any other subject around here. I just hope we can get on with some of the legislative work we have at hand. I ask the member to tell his colleagues that if we could avoid the backlog that is developing around here, and if they could help us out in getting some of the work done, we could examine some of these problems that are facing this province.

POLICING ON RESERVES

Mr. Pouliot: I have a question for the Solicitor General. The minister will be aware of the shocking and appalling incident that took place on May 16, when an elder, Moses Anderson, was assaulted and badly beaten in the remote northern reserve of Kasabonika Lake. The minister will be further aware that the number of reported, documented and serious violent incidents at that reserve has increased from two to 19 in less than a year. For nine years, the people of Kasabonika have asked the government to comply with the most essential of services, which is police protection; yet in this incident it took people under his ministry, the Ontario Provincial Police, more than two days to acquiesce and to make a physical appearance on the reserve. When can we expect that the people of Kasabonika Lake will be given the attention and the services they deserve?

Hon. Mr. Keyes: The matter of special constables for reserves is one, of course, that has a high priority in the government. As the member knows and as the House may well know, we have 132 of those constables at present.

The matter of funding for these constables is jointly shared between the federal government and the provincial government historically and has continued to be for some time. We have just recently been able to get the federal government to sign the 1985-86 agreement, which has now almost gone by. As late as September 25, we met with them on the 1986-87 agreement. To date they have not agreed to sign the agreement, because they insist on a clause that says "if funds are available." That is rather difficult.

Kasabonika Lake is the top priority for additional constables. We are personally committed to this as soon as we can receive funding and agreement through the federal government.

Mr. Pouliot: I have a letter dated May 29, 1986. It comes from the office of the great hope and beloved leader, the Premier (Mr. Peterson). It tells us again "in the not-too-distant future." We are about three steps short of eternity. The future can last a long, long time when we get letters from people such as the minister.

With respect, what is needed is not a compromise with the feds. Let us not bring in the Conservatives; let us not bring in the feds. The minister should do his job. He has that mandate. He has that responsibility. He should give us police protection.

Hon. Mr. Keyes: Once again, I did not hear a question, Mr. Speaker.

COURT FACILITIES

Mr. Callahan: My question is addressed to the Attorney General. As the Attorney General will be well aware, the city of Brampton and the region of Peel, as probably the fastest-growing community in Canada, has a great need for courtroom facilities. I had an opportunity to attend at these courtroom facilities about six months ago with the Assistant Deputy Attorney General. I understand the Attorney General himself has visited my riding with reference to this matter. I would like to have an update on where we are with reference to the additional court space for Peel region.

Hon. Mr. Scott: When we came into office, two courtrooms were on the list for Peel, which were required by the district court. The estimated value of that is \$5 million, which is about a quarter of our budget.

The honourable member will be interested to hear that I went to Peel county and met the judges. We found two courtrooms they were not using, one in the basement of the sheriff's building and the other downtown in the old courthouse. Therefore, we are not going to be building those courtrooms, because they are not necessary.

In the provincial court, there is no doubt that the system is operating at capacity, and as the county grows—and it grows annually in very large amounts—we will have to develop a plan for the medium term. I hope very shortly to be able to announce to the House a program related to courtroom and courthouse construction.

Mr. Callahan: Since probably one of the answers to the problems would be to put all the court facilities together, I wonder whether the Attorney General would consider in his deliberations—assuming it is agreeable to the Minister of Consumer and Commercial Relations

(Mr. Kwinter)—moving the registry office out of the northerly building and locating it somewhere else. That would provide additional space of some considerable size for further courtrooms without the immediate expenditure of those funds at this time.

Hon. Mr. Scott: We will certainly consider that.

SMALL CLAIMS COURT

Mr. O'Connor: I also have a question for the Attorney General. Some 14 months ago, I brought to the Attorney General's attention the severe discrimination suffered by citizens living outside Metropolitan Toronto by virtue of the fact that, in dealing with their small claims court system, they are less fairly treated than those living inside Metro. As we know, within Metro, one can process small claims debts up to \$3,000, but outside Metro that is not available to our citizens. The Attorney General assured me at the time that he was looking into the matter and would be taking care of it soon. Can he tell us when he might be taking care of that situation?

15:20

Hon. Mr. Scott: To be candid, the last time the honourable member asked me, I said I would be looking into the matter; I did not say the rest. I have looked into the matter, and the provision of this important service outside Metropolitan Toronto would be very expensive because it would involve the appointment of a substantial number of new judges to service the work, which is not necessary inside Metropolitan Toronto.

As a matter of budgetary constraint, we have to look very carefully at programs of this type. They are important, but they have to be weighed carefully against the needs of health care, education and a variety of other services. That is why we are not building the two courtrooms in Brampton. We found two others, and we are trying to be as careful as we can with the taxpayers' money. They pay taxes and they expect us to provide that careful consideration of need.

This is an important request, and we will try to evaluate carefully, along with other budgetary obligations of the government, if it is going to serve the people's interest properly, which we believe we are going to do.

Mr. O'Connor: This sounds like a broken record. This is what the Attorney General said to us 14 months ago.

Does the minister not understand that by implementing the higher level outside Metro there would be increased revenues to the small

claims court system and decreased revenues—savings, in other words—to the higher court system? Further, in some cities, specifically Hamilton, Ottawa and Niagara Falls, there are already judges available to hear these cases and there would be no significant increase in costs in those areas and perhaps in some others.

Hon. Mr. Scott: When we have a supplementary question, I expect the honourable member to ask a different question from the first question. The member simply repeated the first question, and in the past 35 seconds or so my answer to it has not changed.

Let me point out what the honourable member knows, if he can remember back to the estimates process. To carry this program beyond Metropolitan Toronto, we would have to appoint approximately 17 new judges to do this work. With those appointments, we would have to make appropriate additional appointments in the court system. We would have to create more courtrooms.

The project is not a simple or cheap one to undertake. There are other competing demands on the taxpayers' dollars, and we are trying to evaluate this one and put it in priority against those other important demands.

OCCUPATIONAL HEALTH AND SAFETY

Ms. Gigantes: My question is to the Minister of Labour. In April 1986, workers were injured by exposure to coal tar contamination at the Lees Avenue site in Ottawa. I ask, on behalf of those workers and the interested public in Ottawa, where is the health and safety inspection report?

Hon. Mr. Wrye: I will have to check into whether an additional report was done, but I believe the honourable member may find that much of the matter that concerns the Lees Avenue site is a problem that falls under the jurisdiction of my colleague the Minister of the Environment (Mr. Bradley). However, I will take the matter under advisement and check.

Whatever our responsibility is in the matter, I can assure the member that if reports needed to be done by our ministry, as opposed to the Ministry of the Environment, they were done. I will check into it and share the results with her.

Mr. Speaker: That completes the allotted time for question period.

I have had a number of notes from members complaining about the heat in the chamber today. They certainly have a right to make some comment. It is extremely high. However, I must inform members that some time ago the fire alarms were going and we cleared the galleries. Nothing in particular took place. There might

have been some factor that contributed to the trouble we are having with the cool air that is supposed to be coming into the chamber. I hope it will be redirected by tomorrow.

TABLING OF INFORMATION

Mr. Harris: On October 15, I raised the issue of the delay in answering questions. On October 14, in response to a statement, the member for Brantford (Mr. Gillies) made reference to questions concerning computer contracts, the answers to which were promised by October 10. When the member for Brantford raised that, the government House leader held up a stack of answers, which have not appeared in Hansard. At that point he held them up and said, "Here they are," but they were not in there.

The questions involved serious matters of computer contracts that were let by the government and that were of serious concern and the subject of allegations during committee hearings this summer. I would like to know when the stonewalling and coverup are going to cease. They have had lots of time to get the files and table the answers on those contracts.

Mr. Speaker: Order. Maybe the member could control himself and not get too hot under the collar with the hot temperatures we have in here. I hope the government House leader will take note of the request regarding the outstanding questions, as I am sure he has done in the past.

Hon. Mr. Nixon: I have certainly taken note of that, and I have heard the question asked before. I will respond as soon as I possibly can. I will be sure that the ministers responsible—

Mr. Harris: When the member for Brantford asked the question, the government House leader said, "Here they are." There is nothing in here.

Mr. Speaker: Order. The debate is completed.

PETITIONS

NATUROPATHY

Mr. Barlow: I have a petition signed by some 258 residents, mostly from Cambridge, but some from the suburbs, including Kitchener, Waterloo and Guelph.

"To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

SALE OF BEER AND WINE

Ms. Hart: I wish to present a petition in respect of Bill 134. The petition was signed by 70 people in my riding of York East. The petitioners are all employees of Loblaws Ltd. on Moore Avenue.

The petition requests that the government of Ontario in An Act to amend the Liquor Licence Act not exclude their place of business from the opportunity to sell beer and wine and that their grocery store be included in the definition of food stores eligible to sell beer and wine.

INTRODUCTION OF BILLS

INTERNATIONAL COMMERCIAL ARBITRATION ACT

LOI SUR L'ARBITRAGE COMMERCIAL INTERNATIONAL

Hon. Mr. Scott moved first reading of Bill 139, An Act to implement the Model Law on International Commercial Arbitration, adopted by the United Nations Commission on International Trade Law.

L'hon. M. Scott propose la première lecture du projet de loi 139, Loi concernant la mise en application de la loi type sur l'arbitrage commercial international adoptée par la Commission des Nations Unies pour le droit commercial international.

Motion agreed to.

La motion est adoptée.

LEGISLATIVE ASSEMBLY RETIREMENT ALLOWANCES AMENDMENT ACT

Mr. McLean moved first reading of Bill 140, An Act to amend the Legislative Assembly Retirement Allowances Act.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT

Mr. McLean moved first reading of Bill 141, An Act to amend the Public Service Superannuation Act.

Motion agreed to.

Mr. McLean: This private member's bill is designed to prevent what we refer to as double-dipping. It simply means that a member of this Legislature who retires cannot be appointed to a salaried position on a board or commission and continue to collect his or her pension benefits while being paid at the commission rate.

Ian Deans, the New Democratic Party member of Parliament, is a classic example of the type of double-dipping or, in his case, triple-dipping. I am trying to prevent this. He gets a pension from the Ontario Legislature and a pension from the federal government, and he holds down a \$90,000-a-year federal appointment. There are other examples I can give members.

Mr. Speaker: With respect, we can accept a brief explanation, but I believe you should leave some of the other information until the bill is discussed on second reading.

ORDERS OF THE DAY

TORONTO HOSPITAL ACT

Hon. Mr. Elston moved second reading of Bill 129, An Act to amalgamate Toronto General Hospital and Toronto Western Hospital.

Hon. Mr. Elston: Last February, the directors of Toronto General Hospital and Toronto Western Hospital publicly announced their desire to amalgamate. To make this possible, I then tabled Bill 129, which received first reading on July 10. We are now ready to proceed with second reading.

The two hospitals are among the finest in Canada. Both are excellent teaching institutions and are well known for their pioneering work. Just this month, on October 2, Toronto Western celebrated the 20th anniversary of its kidney transplant program. Toronto General has a long and impressive list of "firsts." Just this month, it began installing 1,000 computer terminals for Canada's first bedside patient information system.

Under this proposed legislation, Toronto General and Toronto Western would continue as public hospitals offering a broad range of health care services, but they would be governed by a single board and would be known as the Toronto Hospital. The objective of this amalgamation is to streamline their administration and produce significant savings, which the hospital plans to use to improve and expand service. The Ministry of Health supports that wholeheartedly.

I would like to note that these savings will come from more efficient administration and purchasing. A policy covering job security and

seniority was passed by both hospital boards and distributed to every hospital employee. It states, "No employee shall lose their employment as a direct result of the merger."

This issue has been discussed by my officials and hospital representatives. It is also covered very clearly in the new hospital's personnel policy. Provincial labour law requires that existing collective agreements be respected in any amalgamation.

We are proceeding with this legislation because we fully expect that the amalgamation will improve the administration of both hospitals, that their employees will be adequately protected and, most important, that it will free up millions of dollars that can and will be put to use providing better health care for the people of the province.

Mr. Andrewes: I wish to indicate to the minister and the government that we will be supporting this bill. I took very seriously the comments of the Premier (Mr. Peterson) earlier today when he indicated his concern about the lack of progress with legislation. I want to indicate to the government, the government House leader and the Minister of Health that we will be supporting this bill. In the interests of making progress, we hope we will move through second reading today and perhaps to third reading at some point this afternoon, if that is the government House leader's wish.

There are a number of reasons, as the minister indicated, why it is necessary to expedite this bill and why it would be appropriate to move quickly. The examples of cost saving are rather encouraging. We are told that these cost savings could amount to as much as four or five per cent. On a combined budget of \$250 million, the immediate savings could be as much \$3.5 million to \$5 million.

The minister mentioned the consolidated purchasing currently going on with the two hospitals. We are told that has already saved in excess of \$400,000 and could lead to as much as \$1 million in annual savings. The minister has indicated to the hospitals that any cost savings that result from the merger will be retained within the hospital's global budget and will not be taken back by the ministry or used to reduce the hospital's global budget in any way. In effect, that means better service, a better-equipped hospital and an improvement in the all-round health care delivery provided by those two excellent hospitals.

That sort of substantive evidence should be enough to encourage members in all parties to move quickly to have this bill receive third

reading and royal assent and proclamation. We understand the government is going to allow this bill to go to committee for public hearings. I am not sure what the concerns are on the government's side, but we hope and trust that those who wish this bill to go to committee will indicate their support for that activity in the usual way, which I assume is 20 members standing in their places.

Mr. D. S. Cooke: We will be supporting this bill on second reading. I want to make a few comments about the process leading up to the debate on this bill today and about why I think the bill should go to one of the committees of the Legislature for public hearings.

This bill was first shared with members of the opposition the day before the Legislature adjourned in the spring. At that time, there was an expectation that the bill could be introduced and somehow sent through first, second and third readings before the Legislature adjourned. Where that expectation came from and how anybody in his right mind could have thought we could pass a bill very quickly that was going to amalgamate two very large institutions is beyond me. It will be the first bill of its kind, given the size of these institutions, and may set a precedent as to how these matters are dealt with; there are other institutions in Toronto looking at amalgamation.

15:40

How we can pass it that quickly is beyond me. It seems to me the attitude some at the hospital have taken is that we should pass the enabling legislation and leave this autonomous board to do, in terms of policy, what it wants with jobs and how this matter is implemented with regard to its employees. As the people who are going to pass this piece of legislation, we have an obligation to make sure it is done right. As the body that funds hospitals in this province, we have an obligation to make sure it is being done properly.

We have an obligation to discuss this matter with more than just the hospital board. There are employees and unions involved. Has the minister ever met with the unions involved in this amalgamation of the two hospitals? I met with the unions back in early September. To my surprise, the unions had never been invited in by the administrations of the hospitals to discuss exactly what was going to happen and how it was going to affect them. There had been no negotiations about how amalgamation was going to take place.

At that time, the official policy of how to deal with personnel matters had not been passed by both boards. There had been, through newsletters and so forth, some indication of how personnel matters would be dealt with but no direct communication with the representatives of the various unions or employee representatives at the various hospitals. Yet the hospitals expected us to pass this piece of legislation weeks before September even occurred.

Apparently, there now has been one meeting and some discussion with the various unions, but I am not convinced that those were satisfactory. I understand that when this Legislature dealt with regional government legislation, there were all sorts of guarantees built into the legislation about how employee groups were going to be dealt with and offering some guarantees. I think a committee of the Legislature is going to have to look at things such as contracting out and whether or not we can insert this employee policy into the legislation, to make sure that policies the hospital boards are offering its employees are put in legislation.

Policies can be developed and approved one day and changed the next day. Legislation is much more difficult to change. If the hospitals are willing to offer these kinds of guarantees to its employees, perhaps as many as possible should be inserted into the legislation to offer the employees the kinds of protection the hospital boards say they are willing to offer. I do not think there has been adequate consultation with the unions and the employee groups. I do not think there has been adequate discussion here in the Legislature. I ask the minister, how much is the combined budget for these two hospitals?

Mr. Andrewes: It is \$250 million.

Mr. D. S. Cooke: We are talking about \$250 million, we are talking about many employees and we are talking about communities. I think there needs to be some discussion about how this is going to occur. I would like to look at the membership of the board of directors of this hospital. I notice there is no change in how the board is going to be selected. When I look at hospital boards across this province, I am not convinced they adequately reflect the communities in which they reside.

I just went through a lengthy process with one of the hospitals in my home community to try to get it to accept one labour representative on the hospital board. The only way we got that accepted was that they were trying to raise \$11 million locally for a new chronic care hospital,

which the minister will be announcing tomorrow in our home community.

The minister's staff phoned my staff yesterday to invite me to go to Windsor with them since there was going to be some announcement made. They could not tell us what the announcement would be, but the press in Windsor have all been told by somebody in the minister's office. The press phoned, told me that the Ministry of Health people told them what the announcement was going to be tomorrow and asked for my reaction. The minister's staff cannot share that with the local members, but they can share it with the local press.

However, with regard to hospitals, I think we have to look at opening up the process. It seems to me that in some cases, hospital boards think or try to operate as private corporations when the reality is they are public corporations. Information should be shared with communities, which should be able to participate in developing those criteria and policies if hospitals are to be community-based and have a partnership with the community.

I believe very strongly that in the rationalization of services the amalgamation of hospitals does make sense in certain circumstances. In my own community, if we had one hospital board instead of four, there would be better planning on a local basis and less competition between hospitals. Instead of every hospital wanting to have a computerized axial tomography scanner, where if one hospital gets one, the next one needs to have it—and the competition seems to exist—there would be more rationalization and rational planning on a local basis. When we are dealing with huge institutions, teaching hospitals such as the Toronto Western Hospital and the Toronto General Hospital, the accrued savings will be substantial.

I want to make sure that the process we go through as legislators and the legislation that is finally passed—and it will be passed—will be adequate and will be model legislation for other hospitals that may be considering the same type of action.

I do not expect this bill will have to remain in committee for a long time. I am told by the chairman of the social development committee that next Monday and Tuesday will be available in this committee. I believe we can listen to the management of the hospital and the employee groups in the committee next week, deal with the bill clause by clause and report the bill back next week. We are really only talking about a delay of one week from the time the bill was introduced in

the spring. We are not talking about a great delay.

I understand the original plan was to have the founding meeting of the new hospital board tonight, but it was not our responsibility to make sure that the legislation was the number one priority when the House reconvened. Revenue bills were put in Orders and Notices last week, not the Toronto Hospital Act.

We are dealing with it today, and it would be unreal for anyone to expect that we could go through second and third readings of this bill on the same day. That is not even provided for in the rules. It would completely bypass one of the major partners in this process, the employee groups. After all, if this is going to work, obviously the employee groups have to be fully behind the amalgamation. By referring the bill to committee, there will be a better understanding of the process, where the savings will accrue, how they will accrue and what the employee policy that has been passed by the boards means to the employees of the two hospitals.

Hon. Mr. Elston: The honourable gentleman has raised a number of issues of which there will be some discussion. There are also two or three housekeeping matters, a change of words or something, that will have to be looked at when this matter is in committee, but I expect the debate concerning the passage of this bill on second reading will find that all parties are in favour of it and we should probably proceed with it.

I have one comment with respect to the system of public hospitals. The system itself is based upon autonomous boards. Each of us at any given time has made speeches in support of that system and that style of operation of our hospital system in Ontario. We must always keep in mind that those boards must be allowed to act as freely and as independently as possible, to make those wise management decisions which they, as trustees of their communities and of public facilities, deem to be in the best interest.

That being the case, I urge all members to vote for passage of this bill on second reading and I look forward to seeing it move to the social development committee afterwards.

Motion agreed to.

Bill ordered for standing committee on social development.

15:50

MEMBERS' ANNIVERSARIES

Mr. Foulds: On a point of privilege, Mr. Speaker: Before we proceed with the next item of

business, I found it disturbing and passing strange that none of the House leaders of any of the three parties saw fit to recognize the 15th anniversary today of nine members of the Legislature who were first elected on October 21, 1971.

I can understand the government House leader failing to mention the occasion, because there are no Liberals on that particular list, but I would like to pay tribute to the following members in alphabetical order: the member for Ottawa South (Mr. Bennett), the member for Port Arthur (Mr. Foulds), the member for Algoma-Manitoulin (Mr. Lane), the member for Nickel Belt (Mr. Laughren), the member for York West (Mr. Leluk), the member for Muskoka (Mr. F. S. Miller), the member for Prince Edward-Lennox (Mr. Taylor), the member for Don Mills (Mr. Timbrell) and the member for Lanark (Mr. Wiseman), all of whom are celebrating their 15th anniversary in this crucible of democracy, the Ontario Legislature.

Hon. Mr. Elston: Same old gang.

Mr. Foulds: It may be old, but it is not a gang. I just want to say it has been a personally rewarding experience for me and, I think, for all members of the Legislature. Few people recognize just how rewarding an experience public life is.

I want to pay particular tribute to the member for Algoma-Manitoulin, who is here with us today, because I believe he has served northern Ontario well and because he is the only other one of my colleagues who were elected on that day who is in the Legislature at this moment. I am sure all of the others are attending to legislative and parliamentary business in other forums at the present time.

Mr. Harris: On the same point, on behalf of our party, I too would like to proffer congratulations to those who are on the cash-for-life program. That is the 15-year achievement award for years of very difficult service on behalf of their constituents.

The member for Port Arthur has read the names into the record and I will not re-read them, but let me indicate, as he has mentioned, that he was surprised that none of the House leaders mentioned this earlier today. I know these members all wanted to participate in the debate today. To ensure that, we were going to do this at 6:30, at which time I was sure we would have full attendance and they would all be here to hear it.

However, on behalf of our party, I join in congratulating the survivors. As a member from northern Ontario, I offer special congratulations

to the member for Port Arthur and to the member for Algoma-Manitoulin as the two members from northern Ontario. We work twice as hard to represent ridings in northern Ontario, and that is equivalent to 30 years of service. Special congratulations to those two members.

Hon. Mr. Nixon: I would certainly like to join the other two honourable members in extending congratulations. I am sorry the Liberal list is somewhat deficient in this regard.

Mr. Foulds: We are not.

Hon. Mr. Nixon: That was not one of our banner election years, if members want to know the truth, because that was the one when the then Premier, William Davis, said there would not be another nickel for the Catholic schools. Actually, he made that announcement, then called a press conference and an election, and said he hoped separate school funding would not be an issue.

Certainly, his spirit was in the right place. In the event, we did talk about it a little bit, and the more we talked about it, the more members we lost. However, we survived, and here we are with that issue established to the satisfaction of all.

Mr. Harris: Mr. Speaker, I rise to correct the record. I should have mentioned the member for Nickel Belt as one of those who put in 30 years of service in that 15-year period as well.

INTERIM SUPPLY

Hon. Mr. Nixon moved resolution 8:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1986, and ending December 31, 1986, such payments to be charged to the proper appropriation following the voting of supply.

Hon. Mr. Nixon: I want to say to the honourable members that this is a routine motion and that the period of time envisaged in the motion is well within that which is enabled by the rules. We expect during that period of time about \$5.1 billion to be spent on the routine expenditures referred to in the motion itself.

I know the honourable members will confine their remarks to the specific aspects of the interim supply and not allow themselves the luxury of branching out and talking about anything that comes to mind. With that pious hope put before the members, I sit back with a blank page ready to make notes so that I can respond to the matters they wish to raise at this time.

Mr. McCague: I ask the Treasurer whether he happens to be dreaming when he says that everyone will stick exactly to the subject. That they will do, but many things are also of interest to us as members and as legislators that are directly related to the motion he has just put.

I am sure there is a history to it, but it is always interesting to me that the motion starts off by mentioning that we will pay the salaries of the civil servants and other necessary payments. I am not sure what the proportion of salaries is in the total \$5.1 billion we are being asked to vote today, but I am sure the other payments are much more significant in amount than the salaries are.

I have yet to be able to extract from the Treasurer an explanation of the moneys he has asked us to vote towards hospital construction for this year. He made much of the \$850 million he was putting into hospital construction, but he has never really been able to clarify for us whether it is the same old program and he has just extended it for a full eight years, or whether new money is going into the construction of much-needed hospital beds. At the speed at which the Minister of Health (Mr. Elston) is travelling with his approval of beds, be they acute, hospital or otherwise, I doubt very much whether any additional money is being spent in this fiscal year or whether it is as much as has been the norm in years past.

I brought to the attention of the Treasurer and the Minister of Health the very urgent need for the funding of 10 more beds in the Collingwood hospital, beds that are very badly needed. People are spending as much four days in the hallways or in the emergency ward.

The ministry has also been very slow, probably because of lack of funding, in paying attention to several requests for approval to proceed with the planning for a new Orangeville hospital some years down the road, a very urgent need in view of the condition of the present facility.

16:00

The Treasurer has all kinds of windfall money this year, as he has already acknowledged, yet I have had great difficulty in persuading the Ministry of Tourism and Recreation to approve a grant for the construction of a new arena in the town of Stayner. The arena there has been condemned, and this is causing many young people in the area to go without ice sports this winter.

I am sure the Treasurer has a nest-egg nicely hidden away that he will use for whatever purpose happens to come up in the next 18

months. He has higher-than-expected tax revenues and higher-than-expected transfer payments. He has not told us what he intends to do with those funds.

I will suggest some things he might do with some of the \$5.1 billion. I do not know whether any of that is not dedicated at this time. We heard much from the Treasurer in years past about the employment and unemployment situation across the province, in particular in Brantford, very close to his home. I suggest to the Treasurer that there are as many people under threat of layoff and laid off in northern Ontario as there were in Brantford at that time. He does not seem to have the same concern for municipalities in northern Ontario that he explained to the Treasurer of the day in regard to Brantford.

The now Treasurer was very interested in whipping Ontario Hydro into line. If he has been successful in doing anything, it is not obvious to anybody on this side of the House or, I suggest, to any taxpayer in Ontario.

The Treasurer has from time to time talked about the credit rating, which he was singularly successful in having lowered. He takes some pride that it is costing only \$6 million to \$10 million to fund that lowering of the credit rating. With his increased revenues this year, I would have thought that with any kind of prudent budgeting we would by now have had our triple-A credit rating back.

He mentions paying the salaries of civil servants. That, of course, we must do. We must also pay 1,500 more civil servants than was the case in 1985. The Treasurer will be well aware that the government that preceded him was very cautious and earnestly did what it felt the population of Ontario wanted, which was a lowering of the number of civil servants. Over a 10-year period it was reduced by some 7,000.

However, since the new government took over, the number has increased quickly from 80,142 in 1985 to 81,592 in 1986. It would not surprise me in the least that the number would be even greater than that if we were able to get the most up-to-date figures. One of the reasons this is the case is that it is said the combined cost of the budgets of the Office of the Premier and the Cabinet Office have risen by 45 per cent over the past year. I can only presume that part of the 45 per cent is in salaries.

The Treasurer always had a great love for the dome, or the stadium corporation, as it is known. I hope he is diligent in his determination that not more than \$30 million of provincial funds will be dedicated to that project. I suggest there is a way

the Treasurer could use some of his windfall profits or income this year to do some things not only in my riding and his but also in the other 123.

Hon. Mr. Nixon: There is nothing in mine. The member is getting a courthouse.

Mr. McCague: That is correct. I want to thank the Treasurer very much for that. That was a well-orchestrated deal. After seven years, I am glad to see they will be breaking the sod next Monday. If the Treasurer has not been invited, they would be very happy to have him hold one end of the shovel; I am not sure which end.

Hon. Mr. Nixon: I am better with a fork.

Miss Stephenson: We know. We know what kind of fork too.

Mr. McCague: The previous minister always speaks with forked tongue.

Miss Stephenson: No; straight tongue.

Mr. McCague: Although we will go along with this, with the desire to have such an open government, I hope that during the consideration of the Treasurer's estimates much more information will be forthcoming on what he has in unanticipated increased revenues and how he intends to spend them. Will he please tell us at some point during those estimates what the actual dollars are for health, how he intends to spend that money and whether he sees any delay in the spending of those funds?

Mr. Dean: I will hardly be as succinct and to the point as the member for Dufferin-Simcoe (Mr. McCague)—I always think of him as the Chairman of Management Board, but it is out of his control now, unfortunately.

I wish to make a few comments at this point about some of the Treasurer's policies as reflected in the activities or lack of activities of some of the other ministries. Two are of specific interest to my own riding of Wentworth, and the third is of interest to every riding in the province. In fact, the first two should be also, because they are an indication of the kind of foot-dragging and inattention we seem to be getting from this government in so many ways.

As for the motion we are debating, I agree that we have a liability, as an assembly, to make sure that those who work for us in the other programs that go on are paid. I am not saying the motion is inappropriate or should not be supported—it should be supported—but there are some things it does not mention that should be brought to our attention.

The first item I want to speak about—please do not take my water away. Never take water away

from a speaking member, especially when it is this hot.

Mr. Foulds: Go ahead; take it away from him.

Mr. Dean: Does the member mean I might—

Mr. Breough: Yes, take it away. I do not think he deserves water—no water, no food, nothing.

Mr. Dean: Solitary confinement. That is a foreshadow of what would happen if a certain party were in power.

Mr. Breough: We would put the member in a jail cell and make him listen to his own speeches for 30 days.

Mr. Dean: I would rather listen to those than some others I might mention.

16:10

The first item is a matter of interest for the Minister of Health. It involves what is known as the St. Joseph's ambulatory care centre. It is located in the part of Hamilton-Wentworth that at the moment is in the riding of Hamilton East but under redistribution will be in the riding of Wentworth East. That is what my riding will be called following the next election.

St. Joseph's is a very innovative health care centre. It is an alternative to a full-fledged hospital, which some people would like to see constructed at some point but which is not justified at present, according to the standards the Ministry of Health imposes. This is not an expensive structure, in the style we have seen in health care nowadays. Its total cost amounted to a mere \$15 million, some of which will be raised by the very interested and concerned local population.

If members of the government besides the Minister of Health are not aware of St. Joseph's, they should refresh their memories on the nature of this health care centre. It will combine in one location not only the sort of emergency and ambulance services we expect in smaller health care centres but also many other services, such as diabetic care, audiology and mental health services. The district health unit will be there as well as many other things that I will not take time to mention now.

This new centre was booming along in its development and progress until May 1985, when something seems to have cast a blight on it. Since that time, not much progress has been made because of terrible delays on the part of the officials of the Ministry of Health in approving each succeeding stage of the planning.

Prior to May 1985, we had the personal commitment of both the then Premier, the

member for Muskoka (Mr. F. S. Miller), and the Minister of Health of the day, the member for Cochrane South (Mr. Pope), that the province's share of the funding for this excellent and efficiently designed facility was taken care of. This followed a great deal of study and planning to see what should go into the unit.

Since the present government took office, mum has been the word with regard to getting any kind of hard and fast assurance that the necessary funding is secured. What is needed is direction from the Treasurer. Although he is listening to another member of the family over there, I know he is hearing what I have to say. He should direct the minister to take a personal interest in this important facility and speed along the approval stages. It has been as slow as molasses so far, and our people deserve better than that.

Of a more local nature, the second item that needs government action is what is called locally the Red Hill Creek Expressway. For those who are not familiar with it, this is a main road that is needed in the Hamilton-Wentworth area for about 22 kilometres, eight of which would be of freeway style and the balance of which would be an urban arterial road. It would make a connection from the Queen Elizabeth Way at the east end of Hamilton, circuiting south and east out of Hamilton to Highway 403 as it travels between Hamilton and Brantford. It is a roadway that has been under study for longer than I like to mention. It has had at least 10 years of extensive study.

Hon. Mr. Nixon: Not back to when the member was a Liberal, I trust.

Mr. Dean: Not quite that far back, no. Those were ox-cart days, with politics to match.

Miss Stephenson: The member for Wentworth is younger than the Treasurer.

Mr. Dean: I thank the member for York Mills for what I hope was a compliment.

In any case, without going through all the details of this again, it had extensive professional study, political input and decision-making over that period. This process culminated in nine months of public hearings before the consolidated hearings board, which as many members may know is a combination of the Ontario Municipal Board and the Environmental Assessment Board.

This was the first of the consolidated hearings in Ontario, as a matter of fact. Perhaps that accounts for some of the time that was consumed in the hearings. It extended for nine months, with expert witnesses from the side of the region of

Hamilton-Wentworth, which was the proponent, and some kind of evidence and a lot of cross-examination by solicitors for certain people who objected. The decision was made by the board almost exactly one year ago; I think it was October 25, 1985. It was immediately appealed to the cabinet of this province by two or three of the objectors.

How long does one expect an important issue for the second largest region in Ontario to be sitting on the shelf or in the drawers or behind the backs of the members of provincial cabinet? Where is the positive action, and where is their commitment to the continued funding of this?

I hope I am not being deliberately partisan or parochial on this, but it appears to me the government is deliberately ignoring the region of Hamilton-Wentworth. Perhaps they are jealous of its success in spite of government indifference. I do not know why.

This continued delay and inaction is almost worse than action in the wrong way, because one does not know where it is, although I am not suggesting for a minute that action in the wrong way is acceptable. This slowness impedes growth and progress in the Hamilton-Wentworth area, especially in the continuing, almost super-human, efforts of the regional economic development people to attract business and industry to Hamilton-Wentworth.

It should all be considered as part of a longer-term strategy, which was well in place under the previous government, to de-emphasize the attraction of Toronto and its surrounding region—not that there is anything wrong with that, but the size of Toronto and its suburbs already causes unique problems. There will be help, not only for the rest of the province but also for the city and surrounding boroughs of Toronto, to encourage and speed up the development of facilities and projects that will make it more attractive for industry and business to go elsewhere.

In saying this about the Hamilton-Wentworth region, I am well aware that the same needs are present in the regions east and north of Toronto and in the areas of Ontario farther west. I am using this as a symptom and a symbol of the kind of attention that should be paid by this government to major programs and projects that are required and sometimes have no direct, immediate effect upon the centre of the universe here at Queen's Park and in the city of Toronto.

The third item I wish to touch on briefly, which has a very important bearing on the funding and which is noted in the resolution we

are talking about, is care for the elderly. All the members of the Legislature will know our caucus has had a task force studying the matter of care for the elderly, holding many hearings around and about Ontario and getting valuable input from the people of all parts of the province, stretching from Thunder Bay to Ottawa and from London to Barrie.

All parts of Ontario can contribute to the study of what is required and what is most needed for the elderly in a period just before, as we are now well aware, there is going to be a burgeoning development in numbers of those over 65 in our society. It is important to know, because all the things that are going to be required will need some funding, with the exception of some of the volunteer services that will be offered gratis by some of us perhaps and certainly by many people in our respective communities. I want to touch on just one part of it because it is a very broad subject and I do not want to spend all the rest of the afternoon talking about it.

16:20

Particularly, I want to talk about home care and institutional care. Most people who study the issue recognize that the more we support home care so that elderly residents can stay in their own homes as long as they are capable or so desire and the less emphasis we put on institutions as the first line of service to the elderly, the better off everybody is, particularly the elderly themselves, and their families as an immediate byproduct. Eventually, all of us benefit.

I will not go into the reason for all that—some of it is self-evident—but all of us have an innate feeling we would like to stay in our own homes as long as we can. When we become part of the group we are discussing now, I think we will still feel the same way.

The government has said home care has to be beefed up. We support that. As a matter of fact, our discussion paper on care for the elderly came out with a very strong recommendation for that prior to the present government making its position known. It must be beefed up all over Ontario, not only in actual quantity but also in the way in which it is available.

On the task force on care for seniors, one of the things we heard consistently wherever we went was that home care in all its different aspects is available too little of the time. A person can be eligible for it for a certain number of hours a day or week under certain conditions, but there are times when it is hardly available at all. This is a definite blight on the way in which those who are tempted to stay at home as long as possible look

at their lives. They have this uneasiness about whether anybody will be around to give them the extra help they need.

That is the first thing I will say about home care; that it needs to be made available more hours per day and more hours per week.

With regard to institutional care, we are not going to get away from having institutions for some time. I hope nobody is under the illusion that home care, even if it were immediately doubled or tripled, would remove the need for institutions. We hope people will be able to stay in their own homes much longer and therefore not require institutional care until later in life, but there will come a time for many of the residents of our province when they will need some type of institutional care because the home setting will no longer be appropriate.

Home care is going to be an add-on in many respects. The recognition that we also need more institutional care has to be dealt with in the budget, in the payments the Treasurer has to look after. The use of institutional care that readily comes to mind, besides hospitals where chronic care is given, is the nursing homes and their neighbours, the homes for the aged, whether they are operated by municipalities or by charitable institutions.

As many members know, there is a discrepancy in the amount of support the government provides for a resident in a nursing home compared to a resident in a home for the aged. It amounts now to a difference of between approximately \$49 a day and \$66 a day. That kind of cost and support, a portion of which is paid by the government, will have to be amended if we are going to succeed in increasing the quality of care we expect from nursing homes. Many of them were never designed physically or in a programmatic way for the kind of residents they now find themselves forced to accept.

That is going to go on at an accelerating and heavier rate as the years unfold, because if the government does succeed in bringing in home care to the much greater extent desired by a lot of people, and as our caucus urges, then more citizens are going to be staying in their homes longer and will probably be in a frailer and less healthy condition when they finally go into homes for the aged or nursing homes. We are talking about more dollars, and the discrepancy at present between the subsidies for the homes for the aged and the subsidies for nursing homes should be eliminated. We are talking about roughly the same kind of care to the same sort of residents.

While I am still considering that aspect of care for the elderly, nursing homes themselves, as well as homes for the aged, are in short supply. There is hardly a community in Ontario where there is not a pent-up demand for some kind of location where elderly patients can go to receive the kind of care it is no longer possible to give them in their own homes.

In Hamilton-Wentworth alone, there is an identified need for 150 additional nursing home beds. This is not a figure that just came out of the sky. We have a district health council which takes a great deal of interest in this kind of need amongst the other things it deals with, and we also have the first and one of the best assessment and placement co-ordination services in Hamilton-Wentworth; so I am confident this figure is the result of careful study and diagnosis of the actual needs of the patient.

I say to the Treasurer and the Minister of Health, who is not here at the moment, that the people of Hamilton-Wentworth appreciate the 212 additional chronic care beds the minister announced in August, I believe, at Chedoke-McMaster Hospitals and St. Peter's Centre in Hamilton. Those are badly needed and will help to alleviate the shortage because of the domino effect from patients being inappropriately placed when we do not have enough beds of the right kind.

However, that is only a start, and I want to leave the Treasurer with a question. Considering all the other responsibilities, some of which are listed in this resolution we have now, that are important in his role, when is he going to do his part to break the logjam in providing increased and improved care for the elderly?

Mr. Ashe: I hope I will have the attention of the Treasurer in this important debate for interim supply. I have a few observations I would like to make and a few questions I am going to leave him with. Knowing how accurate, complete and judicious he is, I am sure he will be able to respond in due course to all the questions I pose.

I suppose one of the first things we have to be considering when we are talking about the authorization for government to spend another \$5.1 billion is to look at the man who oversees this kind of money, the Treasurer, who has asked for this authority.

I took the opportunity, at least in a roundabout way, of going down to the local service station in downtown St. George recently and asking people quite familiar with a local neighbour called the Treasurer, the House leader, the acting Chairman of Management Board and so on, what kind of

person was he compared to the kind of person he currently is?

It was a rather a long dialogue. I must say there were some who generally had a lot of good things to say. There were a few on the other side. I guess when it came right down to it, they said: "We used to know a fellow who was considered frugal, who really worried, we thought, about everybody's money, including his own. We thought he would be the kind of person to whom we would entrust the taxpayers' dollars in this great province of ours."

16:30

Where was the difference? Obviously, this was it. When they saw the budgets the Treasurer brought down, when they read in the paper and heard a few things from the opposition from time to time about the moneys that were being spent by the government and about the overhead costs of running the government, they were not quite sure this was the same member for Brant-Oxford-Norfolk (Mr. Nixon) whom they used to know.

I assured them that though he has a little different prodding, a different direction and gets pushed hither and thither, he is the same guy. Maybe he has lost some of the frugality, if that is the right word—and I will ask the former teacher in that regard—the frugality of younger days in running the family operation and the personal pocket book when it comes to administering and overseeing the great sums of money that are the responsibility of the provincial Treasury.

What bothers me and what I hope in short order will bother the people and the taxpayers of Ontario is the philosophy this government picked up very quickly. Knowing where some of its advice came from, we know how it happened. It used to be carried on by an administration that gratefully came to an end in Ottawa in early 1984. I purposely did not say the fall of 1984; I said early 1984. That was an era that started in about 1968. It put in place and showed to the people of Canada and the taxpayers of Ontario the philosophy of spend, spend, spend, the philosophy that if you have a problem and throw enough of the taxpayers' money at it, maybe it will go away.

Now it is leaking out that a lot of the advice about setting up the new administration came from people who were considered major advisers and backroom boys of that administration in Ottawa. They helped to set the foundation of the present administration. We know where the philosophy came from. We all thought—the people in the Shell station in downtown St. George thought—and hoped on behalf of the

taxpayers that a frugal Treasurer would avoid that kind of advice and take care of the taxpayers' money in Ontario as though it were his own. This has not happened.

I will be very honest. Some of the next things I am going to say are somewhat repetitive. I said them last time. I asked the questions the last time we talked about the budget and discussed interim supply. It is really to ask the overseer, the acting Chairman of Management Board at the moment as well as the Treasurer, how he can substantiate in his mind the growth in size of the public service in his short-term administration to date, how can he justify and oversee the growth of ministerial office staff throughout government.

Mr. Martel: Instead of by contract? You did it by contract if you could not cover it.

Mr. Ashe: It does not matter how it is, contract or as civil servants. The Treasurer should take the trouble to look at each and every contract and each and every civil service position, if any, in effect within the ministers' offices, not just his own. He probably runs a relatively frugal one, although I understand one of the ministries he is overseeing is far from frugal. It is the one just down the hall from the Treasurer's office. I understand there is a huge staff still sitting around there, even though there is no minister. In any event, I am getting a little off the subject.

I sincerely feel the Treasurer would be amazed if he took it upon himself to get the facts on the size of the staff of the various ministers' offices and those of the parliamentary assistants and the greatly increased, grandiose dollars being paid to those staff, considering the fact that virtually right across the board the salary ranges were increased by about \$10,000 after the present government came to power, compared to the previous administration's comparable salaries. His frugality would once again come to the surface and he would want to do something about it.

I appreciate he may not have the figures, and I do not expect the answer today, but I am interested in seeing not only the growth that has taken place, which I think is substantive in numbers and is surely substantive in dollars, but also the amount that may have been expended in the past year for changes in those same offices. In many cases, I suspect it is to expand the size of the offices to handle all these new bodies, but that is another figure I am interested in seeing.

Some may say, "What does that have to do with interim supply?" We all know that the \$5.1 billion that is being asked for by the Treasurer is

to pay the bills, and I am talking about some of the bills that, in my view, do not have to be and should not have been as high as they are.

I will not go into any great detail about the golden and platinum handshakes of late, let us call them. Those issues have been addressed on other days, but there is no doubt that there is a lot of extra money going there. A reasonable percentage of that \$5.1 billion may be going to satisfy those commitments.

I can tell him one of the things I have done. As we all do as members, I run across business people, private citizens and those involved in various agencies, social and otherwise, and I have given them advice. I have said that if they have a great idea, or a crackpot idea, whatever it may be, whatever they need money for, now is the time to go to government to ask for a grant, because the philosophy is to throw money at it and the problem will be taken care of. It is most likely to be satisfied right now.

Some of these people are taking my advice. Mr. Speaker, let me give you an idea. If we have been around government for any length of time, we all know the paper war overtakes us. In my nine and one-third years around here, I have never seen as much paper in the way of press releases coming out of ministries as I have seen, I will not even say in the past 15 months, but I will say in the past six months. It has been as never before.

Mr. McClellan: This is the guy who could not even give away money.

Mr. Ashe: Always thinking of the taxpayers.

When we look at all these reams of paper that come in each day, we have a tendency to look at them a little more closely when they talk about giving away money. I would like to rhyme off a few. Granted, these are for relatively few dollars compared to \$5.1 billion, but I would like to give an example: \$9,960 to Planned Parenthood to cover the cost of francophone theatre activities; \$16,000 to cover the cost of purchasing equipment for a day care centre; \$9,500 to cover the cost of translation of documents for the annual meeting of the association; \$3,500 to set up a library centre and advertising the service; \$5,500 for a monthly newsletter and the organization of various meetings and consultations; \$9,000 to organize a co-op play group project; \$8,000, again establishing day care services; and \$16,500 for a regional promotion program.

Last but not least, while this is not a grant, it sure is the spending of taxpayers' dollars. It comes under the heading, and we have seen it in various forms, of Darts for the Day. This was a

dart in a Toronto newspaper known to be rather favourably inclined towards the current administration, and I put that in a very charitable light. Let me read you this one:

"Darts: To Premier David Peterson and his former Northern Affairs minister René Fontaine, for foisting the August by-election on Cochrane North constituents after Fontaine was accused of conflict of interest and resigned not only his cabinet position but his seat. The price tag"—and here is where the relevance comes in—"is now in. One hundred and fifty thousand dollars in taxpayers' hard-earned money went for this meaningless piece of grandstanding."

16:40

I have picked out just a few. I could have brought a pile so high it would have taken the rest of the day. The few I rhymed off total only some \$250,000. In the context of the moneys that are spent opposite and in the context of \$5.1 billion, I acknowledge and agree that \$250,000 is, relatively speaking, petty cash in the eyes of the government.

It is the principle of how this administration is spending those taxpayers' dollars that we should be concerned about. I honestly hope that once we approve this—we will; the civil servants' salaries and our bills have to be paid. We know the credit rating slipped a little last year; we do not want it to slip again this year because the government does not pay its bills. We are going to approve this motion.

In the meantime, I hope the Treasurer will again take on the mantle he once wore at the local service station in downtown St. George, a former stop of the current Treasurer, of being a frugal and wise individual in the handling of taxpayers' funds.

Mr. Foulds: I initially thought there was going to be a brief debate on this matter. However, it is my understanding that, come what may, it will last until 6:30 p.m. That being the case, a number of my colleagues have indicated an interest in speaking in this debate. I think I should respond initially for our party and indicate a number of things.

First, I believe this motion should be supported and passed before the end of today. I do not think anybody in this House wants to hold up the legitimate payments of the government to its civil servants and its other obligations. Anybody who does think that should say so loudly and clearly.

Second, some payments are being made that are questionable, to say the least. I suppose the most outstanding example we have had is what my colleague the member for Bellwoods (Mr.

McClellan) has called the platinum handshake of a grotesque payment for the former Clerk of the Legislature.

An hon. member: Obscene.

Mr. Foulds: The word "obscene" has been used about this.

Hon. Mr. Nixon: Stick with "grotesque."

Mr. Foulds: "Grotesque" is the one I find more appropriate, as does the Treasurer. I find it difficult to understand why there could not have been a legislative solution to this problem. We all know that the legislation passed under a majority Conservative government in 1974 is at least partially responsible for getting the government into this problem. I underline that: the legislation passed by a majority Conservative government in 1974 got us into the problem.

However, over the years since then—I remember discussions that took place after 1975, some time during the minority government of a Conservative stripe, somewhere around 1977 or 1978—it was my understanding it was the agreement of all three political parties of the Legislature that the Clerk of the day had given good and faithful service up to that point, was past the age of 65 and deserved retirement. It was my understanding that all three political parties, including the Conservative government party of the day, agreed that would happen. It never did.

I never understood or found out why that never happened, but it seemed to me that if there was an agreement, there could have been a fiscally responsible money package put together by the government of the day that would have been supported by the two opposition parties. If it was necessary, the previous Conservative government could have put together a legislative package that would have seen the gentlemanly and honourable retirement of our former Clerk at that time.

What I understand happened with the change of government is that, once again, all three parties agreed that there should be an honourable and fiscally responsible retirement of the former Clerk. I do not see why the present government could not have put together a fiscally responsible, as well as a legislatively responsible, package. It is not beyond the wit of man, if it is necessary to change something legislatively, to bring in those legislative changes.

The present government has been in power for more than a year and has had the wit of the Attorney General (Mr. Scott), which is known throughout the province—

Mr. Martel: Far and wide.

Mr. Foulds: —far and wide, lo, even to the university audiences of Boston. The government has had his ingenuity to put together a legislative solution to the problem, so why do we find ourselves, and why does the government find itself, in a crisis management situation with regard to this matter?

They are questions that I raise and that I honestly do not know the answer to, and I think we deserve an answer. Frankly, it is unacceptable for a Treasurer who prides himself on fiscal responsibility not to use both approaches. If he needs to have a settlement, that is fair enough; but if he knows and suspects he is going to be blackmailed unduly and unjustifiably, it is then also justifiable to seek a legislative solution.

It is even more justifiable to seek that legislative solution while the Treasurer is not seeking a legislative solution to increase the benefits of ordinary pensioners in this province.

It is entirely justifiable to raise these questions when the question of the raiding of pensions that is taking place by corporations in this province is defended by the Minister of Consumer and Commercial Relations (Mr. Kwinter) instead of his bringing in a legislative solution to that problem.

This government has yet to learn and it must learn that it has two major legislative tools in a democracy. One of them is spending and the other is legislation. Neither should be authoritarian, neither should be dictatorial; but neither, if I may say so, should be as liberal—libertine, I might say—as the settlement with the former Clerk was.

Mr. McClellan: Lascivious.

16:50

Mr. Foulds: No, I would not go that far.

I say this in a context where we have a golden handshake, as my colleague the member for Bellwoods pointed out, to a former semi-crown corporation chief executive of the Urban Transportation Development Corp. When the final facts of that case are unearthed, the information I have indicates that the golden handshake will be far in excess of what the Premier admitted to the other day, and actually in excess of what my colleague initially alleged.

Mr. McClellan: In fact, in excess of the value of the UTDC.

Mr. Foulds: As my colleague interjected, in excess of the value of the UTDC. One of the strange things about the whole UTDC finalization—and this is where there is a very real danger signal for the Liberals—is that the Liberals

were so ideologically committed to selling off UTDC—

Mr. Martel: They would have given it away.

Mr. Foulds: Not only would they have given it away, they have given it away. The taxpayers of Ontario are going to continue to subsidize that corporation. We are going to finance that sale. It is going to be the Treasurer's budget and these interim payments—just so you think I am in order, Mr. Speaker—that are going to allow that deal to go through and they will be able to say they got rid of it. That is what they did, just at the time when that crown corporation and the taxpayers had invested a lot in research and a lot in development and at a time when it could be profitable.

Hon. Mr. Nixon: No way.

Mr. Foulds: The Treasurer mouthed at me, "Oh, come on," and he provokes me. The reason he provokes me is that he knows, John Kruger knows and the Premier knows, or should know, that a company such as Lavalin would not buy the technology if it did not think it was going to be able to make money on it in the next 10 years. When it is in a period where it could be making money in the next 10 years, those guys sell it off because they have an ideological commitment against crown corporations.

That, it seems to me, is fiscally irresponsible. Once the taxpayers of this province have invested and taken the losses, and when there is an opportunity—with new management, I agree; with a new structure, perhaps—to regain that investment by the taxpayer, it was fiscally irresponsible of this government and this Treasurer not to carry on with that company as a crown corporation. Modernize it, reinvest in it, but make it progressive and part of the public sector.

We are voting today to allow the government to pay the obligations it has undertaken, and one of the things I regret is that it is going to be using money it got under other pretences to pay this amount. I am, of course, talking about the lottery funds that are in the general consolidated revenue of the province. I want to indicate that for this Treasurer it is only a venial sin, although there seems to be some chicanery and manipulation, but it was a major or mortal sin on behalf of the previous Tory government in the use and manipulation of those funds.

The fact of the matter is there is an accumulated amount approaching \$500 million—I think it is \$490-odd million—that has not been spent on the purposes for which the lotteries were devised. The thing I found most disturbing in the whole

scene has been that the Treasurer told us in the budget the major reason he wanted to bring in the amendments to Bill 38, which undesignated the funds—if I can use that terrible word grammatically—or dedesignated the funds, is that he wanted to use the funds for such other worthy purposes as capital expenditures for hospitals, cancer research and so on.

Hon. Mr. Nixon: Is the member against cancer research?

Mr. Foulds: No, I am not, but the Treasurer knows and I know that the interprovincial lottery funds, which had been designated for those purposes under an order in council, were undesignated for those purposes by this government on May 26, 1986, after his budget. There was a bit of sleight of hand; on the one hand, he was saying he needed to make this legislative change so he could get money into the hospitals and the health care facilities and for environmental research, and on the other hand, behind the scenes, by an order in council, he is taking away the designation by order in council from the interprovincial lottery funds for those very purposes.

Then he indicates he needs to change the act. His act needs to change on this matter.

Hon. Mr. Nixon: The member should think of all the people watching this play on television who are liable to believe him.

Mr. Foulds: Does he believe me? I can produce the order in council and the changes therein. My friend and colleague, although my political opponent, the member for Victoria-Haliburton (Mr. Eakins) says: "Look at the record. We have given more money away to art and culture and recreation than the Tories did in a comparable period of office."

That may be true, but the fact is there continues to be \$130 million of moneys raised through the provincial lotteries which are still designated for recreation, culture and sports that have not been spent on those purposes and they have already been swallowed up by the general consolidated revenue fund.

Let us not fool around. There are two deficits. There is the accumulated deficit of the total lottery funds, interprovincial and provincial, of approximately \$500 million that has not been spent for the purposes of recreation, culture, art, health care, environmental research, etc. There is \$130 million of the specifically designated funds for culture, art, sports and recreation that have not been spent. One of the major reasons it has not been spent is that the previous government also refused to spend it on those subjects

when it was in power. It was using it to shore up the consolidated revenue fund. It was as fiscally irresponsible as the present government.

17:00

That \$500 million has not accumulated in the past year. That \$500 million has accumulated over the lives of the lotteries.

Miss Stephenson: No.

Mr. Foulds: Oh yes, it has, I say to the ex-Treasurer. We have traced these funds through the annual reports, the public accounts and every other damned way on a year-by-year basis. This is not a one-year accumulation. I will not let the Tory party try to weasel out on that.

Hon. Mr. Nixon: Where is the repository of virtue in this House?

Mr. Martel: Guess where.

The Acting Speaker (Mr. Morin): Order.

Mr. Foulds: As I said yesterday when speaking on the emergency debate with regard to softwood lumber, I am in difficulty when I find myself in a Legislature where the Liberal government and the Tory opposition point fingers of blame at each other and try to score cheap fiscal and political points instead of trying to put the money where it deserves to be spent and should be spent.

If the Treasurer wants to say up front, "We do not think any of this money should be designated; we think lotteries should become part of the general taxation revenues of the province," let him say that clearly and then let him go back and read the speeches he made in the Legislature in 1974 when the lottery corporation bill was first passed.

Hon. Mr. Nixon: Has the member read the speeches I gave?

Mr. Foulds: Not lately, but I remember them well.

Hon. Mr. Nixon: I said very clearly that the moneys would go into the consolidated revenue fund.

Mr. Foulds: It was very clearly established by all three parties, and as I recollect only the then member for Yorkview, Fred Young, spoke in any way against what would happen with regard to the development of the lotteries. At that time we all said in varying ways that it should not become part of the general taxation of the province; it was merely mad money and was for special projects.

If the Treasurer genuinely believes lottery funds are a tax and should be considered a tax and should become part of the general taxation of the

province, I want to point out to him that it is a terribly inefficient way of collecting taxes.

In the last fiscal year, 1985-86, I believe—and I may be out a few million or so, but proportionately I am not wrong—of the total revenues of \$750 million for the Ontario Lottery Corp., only about one fifth found its way into the coffers of the province. In other words, of about \$750 million that was gathered in by the Ontario Lottery Corp., only about \$250 million went into the Treasury of the province. Of that, only about \$120 million or \$130 million was spent.

That is a terribly inefficient way to collect or administer a tax. About \$250 million is spent in prizes and \$250 million is spent on various overhead costs, including advertising. Any tax that costs \$250 million to administer, collect and so on is a very expensive tax.

Hon. Mr. Nixon: The member is setting up a straw man. People like to play the game.

Mr. Foulds: The Treasurer says people like to play. I say to him very seriously that may be fine for those of us with middle-class incomes and for those of us with more than middle-class incomes, but one of the very shocking and real things about lotteries is that poor people buy tickets.

Hon. Mr. Nixon: The member voted for them.

Mr. Foulds: Hold on for a moment. One of the reasons they buy the tickets is that it is their only hope of getting out of the kind of miserable life they lead. Frankly, the Treasurer and his colleagues are not doing enough to change the economic system of this province so that those people have other roots of hope.

Any administration that believes, rather flip-pantly, that lotteries are okay because people enjoy them should look seriously at the aggressive advertising the Ontario Lottery Corp. engages in. It is, if I may say so, advertising that borders on the dishonest and the sleazy. Its promotion of the gambling ethic is as disturbing to me as the beer ads promoting the drinking ethic that this government does nothing to curtail and the promotion in the lifestyle advertising in both cases of the so-called good life.

I did not expect to speak on this matter as long or as heatedly as this, but I say all these things with great seriousness. Not only do they have to be said but they should be said, and I hope the Treasurer will consider them seriously rather than flippantly.

I want to say two final things. First, and I want to approach this as carefully and as delicately as I can—I mean that—the government, including the Treasurer himself, prides itself on being an open

government. I believe that intention is sincere. However, I find it disturbing that the information that is available about budget bills, aside from the budget itself, is not available as readily or as easily as I thought it would be. Let me give a couple of examples.

I had absolutely no problem when I asked for the compendium of information about the Assessment Act amendment bill. That was forthcoming and it was great. There was information of all kinds; obviously, it was briefing notes for the minister. I do not see why those kinds of briefing notes should not be available to members of the Legislative Assembly who want to discuss those things intelligently. I was told there were no such briefing notes or compendiums for the other bills.

When it came to the Retail Sales Tax Act, no such compendium was available. However, because I happened to be lobbied by a group about a certain section of that act over the weekend—too late, I would think—it seemed to me they had appended to the material they gave me briefing notes for the minister or for the ministry, and this material was not available to members of the Legislature.

I do not know whether we phoned the wrong folks—i.e., the people in Treasury, who I would have thought might know these things—or whether we should have phoned somebody in the Ministry of Revenue. It startled me that when we phoned people in Treasury, they said they did not know. I would have thought that there would have been some communication between the two ministries and that the people in Treasury who devise the policy, although it is carried out by Revenue, would know why they actually proposed certain changes to the act, which loopholes they were trying to plug and which information would be available.

Once again, I do not have those bills and my notes before me, but it is my understanding that, for example, there were a number of cases under the Retail Sales Tax Act where they felt that organizations were taking undue and illegitimate advantage of charitable status. We were told there were no such examples available. If they had those suspicions, there must have been examples available.

If we are going to have an intelligent clause-by-clause debate of these bills, it would be very useful that this information be available to members of the Legislature who wish it. It would also be useful to have this information well in advance so that one can make recommendations to one's colleagues on second reading.

Why wait until the very end to have that information available?

17:10

I want to speak very briefly, because this is not the occasion, about the economic situation in which we find ourselves. We find ourselves in a province that has two economies. The Liberal government has not been able to respond to the plight of northern Ontario, where we have an unemployment rate that continues at twice the provincial average, where some communities, such as Atikokan, have real unemployment rates of 35 per cent and where many one-industry towns face that kind of unemployment rate unless this government is willing to take action and take action soon.

The government failed to take action in advance with regard to the softwood lumber issue. It is once again into crisis management. It has failed to take action with regard to the threatened closure of the Kimberly-Clark mill, which would mean layoffs and shutdowns, in the riding of my colleague the member for Lake Nipigon (Mr. Pouliot). It has failed to take action in any fundamental way with the economy of the north.

The government is projecting its revenues, with which it will pay interim supply, by the so-called buoyancy of the southern Ontario economy. I do not want to be a Cassandra, but I warn the government that it had better take a pretty hard look at where the growth is coming in the economy of southern Ontario.

I am afraid that unless strong action is taken now, three years down the road the government is going to see the kinds of layoffs, closures and contractions, particularly in the auto sector, it is seeing now in northern Ontario. We are in grave danger of developing overcapacity for the market available to us in southern Ontario.

Finally, therefore, I say to the Treasurer, let us look at some fundamental realignment of the economy, let us look at taking some fundamental steps to change the economic direction of our province and let us try to diversify not only the economy of northern Ontario but the economy of the rest of the province as well. In particular, let us try to diversify our markets, because although we are a free trading nation, we have a good domestic market, which should be the basis of our export market.

We cannot and should not continue to pursue this will-o'-the-wisp of free trade with the United States, because a bilateral trade agreement with one nation will not be our economic salvation, as much as the Premier (Mr. Peterson) and Brian

Mulroney would like to believe that. We are going to have to trade with all nations.

As the chairman of standing committee on finance and economic affairs told us earlier today, the Americans will never give up the right to countervailing duties. They believe they must have those as an integral, internal and national right, and any bilateral, so-called free trade agreement will still be subject to that and we will get no advantage.

Mrs. Marland: I believe it is significant at this point in the debate to read the motion that is before us, because some of the preamble of the former speaker perhaps left out the intent of the motion.

The motion says, "That the Treasurer of Ontario be authorized to pay the salaries of the civil servants..." I wholly support that portion of the motion. There is no question that on the whole the civil servants in Ontario are people of whom we are proud and for whose commitment and dedication to the professionalism of their jobs we are grateful.

However, the motion goes on to say, "...and other necessary payments pending the voting of supply for the period commencing November 1, 1986, and ending December 31, 1986, such payments to be charged to the proper appropriation following the voting of supply." It is on that point that I would like to express my concern.

I wish that in voting to support this motion for supply—and of course, we will, because we wish the business of the province to continue—that is what the end result would be. There is some irony in standing in the House today, October 21; it is exactly five months to the day since I stood in this House and spoke on the budget. Five months ago, there were many areas of concern about the lack of supply that I addressed in my budget speech to the Legislature. Today we are voting on supply, and those needs, those voids, those shortages have not been addressed yet.

I found it interesting earlier this afternoon to hear the Attorney General answer a question by one of his own colleagues in the government party regarding the availability of courtroom space in the region of Peel. During the past year and some months of the Liberal government of Ontario, there never seems to have been any recognition that Peel is not only the fastest-growing regional municipality in Ontario but also contains the fastest-growing city in Canada, namely, Mississauga.

In identifying our tremendous growth, it was very disappointing to hear the Attorney General say earlier today that he had found two additional

courtrooms in Brampton. Although one of them happens to be in the basement of the old courthouse, according to the Attorney General's information this afternoon, he seems to be quite satisfied that he has found two additional courtrooms.

I am not satisfied for at least one major reason: those courtrooms are in Brampton. As I recall, the population of Brampton is something in the area of 160,000 people, whereas the population of Mississauga and the riding that two members on this side of the House have the honour to represent—I am very happy to see that my colleague the member for Mississauga East (Mr. Gregory) is in the House this afternoon, because I know he shares my concern for the lack of sufficient or appropriate courtroom accommodation within Mississauga.

For the Attorney General to say, whoopee, he has found two additional spaces in Brampton, one of them in the basement of the old courthouse, does nothing to resolve the concerns I have for the people of Mississauga and in particular for those people who for one reason or another need to travel all the way to Brampton to hearings in those courtrooms.

17:20

I would also like to reiterate my concern about the lack of capital funding to the boards of education. In addressing that subject, particularly for the region of Peel and my city of Mississauga, I note we have two regional school boards, the Peel Board of Education and the Dufferin-Peel Roman Catholic Separate School Board. Both of those school boards have experienced the impact of the lack of capital funding in this past year from the Ontario Liberal government. There is no question that the impact on those students will have grave ramifications.

It is not a pleasant environment for students to spend all of their elementary school years in portables, but we have many examples in both the Peel public school area and the Dufferin-Peel Roman Catholic Separate School Board where that is the case. In fact, the Dufferin-Peel separate school board has one entire school which is in portables.

The government's spending priorities have not seen fit to recognize the needs of these students throughout the region of Peel. While the overall government expenditures rose by 7.8 per cent—I wish to emphasize that—over 1985-86, transfer payments to the post-secondary institutions rose by only four per cent. The elementary and secondary institutions have the same tremendous figure. This contrasts with an increase in

expenditures of more than 300 per cent in the offices of the Premier and of the cabinet.

While talking about the increase in the offices of the Premier and of the cabinet, we should mention that we have a tremendous concern in the Progressive Conservative Party about the fact that while nurses and day care workers continue to be grossly underpaid, the Liberal government has given ministers' staff grotesquely large salaries.

Special assistants earn up to \$48,000 per year and executive assistants earn up to \$57,000 per year. I wonder how those salaries compare to the private sector. In recalling those salaries and those positions of assistants to the government, I can recall the discussion on one of those assistants who was living in subsidized housing. I hope that has been addressed by now.

Another concern for all of us in the city of Mississauga is the lack of accommodation for the victims of family violence. I recognize that the government has announced funding for counselling of families that are victims of family violence, and I commend it for finally recognizing that there is a need for that counselling so that those families can ultimately end up being reunited in a healthy family environment.

However, the concern I have is the immediate urgency of so many hundreds of those victims of family violence to escape the situation in their homes, to escape to a shelter. Although the region of Peel has a population now coming close to 600,000, it has only one shelter for the victims of family violence, that being Interim Place in Mississauga. For every family that is admitted to Interim Place, there are two families turned away. I would rather have seen this government make a commitment to the urgency and the desperate plight of those families that now need that accommodation. Then it could continue with the repair program, which is the counselling of those families.

I certainly heard in the budget speech a promise to do something about family violence and all the problems associated with it in this province. However, we do not see a solution or a remedy coming forward. That remedy is very easy. It is simply providing additional shelters.

The further irony on the subject of accommodation for these families that are victims of violence is that when they get into a hostel such as Interim Place, which happens to be in my riding of Mississauga South, they cannot get out of it, because there is no low-income housing available for them. While that facility has accommodation for approximately 18 wives,

mothers and children, the waiting list to get in there grows daily. It grows daily because, as I have just said, the people who are in cannot get out.

That brings me to the next concern I have. We are aware that this government has done a great deal of talking about the issue of housing. I have lost count of the number of pieces of legislation that have been introduced in this House to try to address the problems of housing. To this date, there has been no solution to address the problems whatsoever. The problem of low-income housing is the most major problem we face today. We have bills that are currently being debated in committee which address the issue of rent controls versus no rent controls, but the absence of low-income housing is still the major problem before us.

I wish this government would show a commitment to the people of this province who need its help the most. Those are the people who cannot generate the funds to have a down payment on their own homes. They do not have the income to provide for renting other people's homes and they do not have the income to pay the exorbitant rents that already exist in many apartment buildings.

If one cannot buy one's own home and cannot afford high rent, one becomes a low-income tenant. If one cannot find accommodation as a low-income tenant, one is given the choice that exists today. In many examples I am aware of, social services end up funding these young families to live in a motel. When those young mothers leave a shelter such as Interim Place and go with their young children to a motel, I have to ask the Treasurer, the Minister of Housing (Mr. Curling), and the Minister of Community Social Services (Mr. Sweeney) whether that is the best they can do for these young families in our great and rich province.

17:30

In a year when we have been in a surplus position with the kind of windfall the Treasurer received, it is a grave disappointment that these needs have not been addressed or, from anything I have seen, even recognized.

While the survival needs are not being addressed with funding by either the Minister of Housing or the Minister of Community and Social Services, the Liberal government has a minister who seems to have money up his sleeve, the Minister of Consumer and Commercial Relations.

Mr. Speaker, I am sure you are aware of the interest of a major private sector developer in

coming into Ontario. I am referring to the Ghermezian brothers, who I think are known as the Triple Five Corp. and who are the developers of the great megamall in Edmonton.

From the outset, the Ghermezian brothers have been greeted with open arms by the Minister of Consumer and Commercial Relations. In that greeting, he seems to have failed to consider or recognize that he has a tremendous responsibility to the people of Ontario, particularly to the people who already have commercial and retail investments in southern Ontario.

He has a tremendous responsibility to these people to analyse any adverse impact. I have not studied the project. I am not presuming to suggest there would be an adverse impact, but any major development of that type and size has an impact. We are told it is a far bigger mall proposal than exists today in west Edmonton. If that is the case, it would have to have some kind of impact. If it had a positive impact on everything that already exists in the area of commercial and retail space, that would be great. If, after tremendous study and analysis, it turned out it had a negative impact, that would have to be heeded very closely.

However, the government seems to have given the Minister of Consumer and Commercial Relations enough confidence to encourage this development before he has information about the impact. That is tremendously interesting, because I would challenge what input the Minister of Industry, Trade and Technology (Mr. O'Neil) has had in the whole subject of the Ghermezian mall.

The developers have selected a site in Mississauga. If the Ghermezian proposal were to come to southern Ontario and were to be advantageous to the existing industries and trade, would it not be great to have at least the analysis of the Minister of Industry, Trade and Technology to assure people who are already trading and doing business in Mississauga, Metropolitan Toronto, Brampton, Etobicoke, Oakville and all the surrounding areas that this would be an advantageous development? Instead of that, unfortunately, we seem to have a minister who has encouraged this development to a degree no one really knows. We do not know the degree, because we have not been told the facts and figures.

I may add that I was told by the minister indirectly. It was reported at a meeting at which I was not in attendance that the Minister of Consumer and Commercial Relations said, "Mrs. Marland will be given the information

when the time is appropriate." As a representative for Mississauga South, I found it very interesting that there was going to be an appropriate time for me to have the same information the government has on a development that may or may not take jobs away from people who live in my riding. It may or may not provide competition for existing commercial and retail businesses in my riding and it may or may not have an adverse impact on Ontario.

I am simply giving that as an example of how this government seems to have money to encourage some areas, without having all the facts available. If it had done its homework and research and found that a megamall had an overall advantage for everybody in southern Ontario, then that would be the time to show encouragement to the developer. However, the same government does not seem to have the money to deal with the survival needs of the people I have addressed who need shelter, such as Interim Place and low-income housing.

While we talk about the lack of accommodation, I would like to reiterate the concerns we have about the lack of chronic care beds. In many hospitals throughout this province, we have an unfortunate situation where extended care beds are being used by chronic care patients. That is because we do not have anywhere for those chronic care patients to get out of the hospitals and into the chronic care facilities that are needed. If there are chronic care patients in extended care beds, then it also follows that there are surgical patients staying longer in their beds when they need extended care, and then there are people who cannot get in for their surgical procedures because of the lack of beds.

November is Alzheimer's month. If we are talking about a shortage of accommodation in terms of beds, I would like for a moment to address the plight of the Alzheimer families. Our party has announced we would like to see a \$15-million fund established to address the needs of the Alzheimer patients. In addressing those needs, we have to give tremendous consideration to the families of Alzheimer patients. There is a stage when Alzheimer patients can still live at home, but when they pass that particular stage of deterioration of their health through the disease, they can stay at home only with extra assistance.

This government does not seem to recognize the need for funding this area of assistance. We need more programs that address the type of thing that a respite resource program provides, where families of Alzheimer patients are able, in the ultimate, to get away for a vacation, but to a

lesser degree even get away for a weekend, a day, a morning or an evening's shopping, visiting or entertainment.

This leads me to another program I would like to see this government recognize a need for; that is, a seniors' day care program. We live in a socioeconomic climate today where both members of the majority of families need to work. Therefore, if they choose to have their parents or other elderly members of their family living with them in their homes for as long as possible, they need some form of day care for those seniors while they are at work.

I saw a very fine example of a seniors' day care program two years ago in California. At that time, I was on a visit with Jim Crozier, the commissioner of social services for the region of Peel. Mr. Crozier said that was his dream, to establish a seniors' day care program where people who did choose to work, but who also chose to keep their relatives at home instead of having to put them into some kind of public institution, would have the assistance of being able to leave their seniors at a day care centre during the day.

17:40

It would be great if this government could fund those kinds of survival needs, as I said a few moments ago, instead of wooing the private sector, which in turn might provide competition for existing private sector enterprises.

Earlier this afternoon, a member from the New Democratic Party started to address concerns about lottery funding. I must re-emphasize, as I did in my budget speech in May, my concern as opposition culture critic. I obviously have a special interest, on behalf of our party and on behalf of the people of Ontario, in seeing that the funding from the lotteries is guaranteed, and guaranteed through the Minister of Citizenship and Culture.

I have no doubt about the sincerity of the Minister of Citizenship and Culture (Ms. Munro), who I am happy to see has just returned to the House, when she said she intended to see that culture gets the attention it deserves as an economic development priority. The concern I have is not so much with her statement as with who is going to decide what culture and the arts deserve in this province.

While we speak about culture and the arts, we can also perhaps address, in the same subject area, recreation and sports. Last evening I attended a very large meeting here in Toronto which was organized by a group which has a tremendous concern with Bill 38, recognizing

that Bill 38 is the bill that plans to remove the designation of where lottery funds may be spent.

It is a bill that will in fact open up a whole Pandora's box of uses for lottery funds. It is a bill that purely and simply, if it were to pass through this Legislature and receive royal assent, would be nothing more or less than another form of taxation. The worst of it is that it will be a taxation on those people who can least afford it.

There is a Decima Research report that addresses very clearly who it is, in the majority, who buys lottery tickets in Ontario, and it defines clearly that the people who buy the smallest number of lottery tickets are the people who earn in excess of \$50,000. I will not comment any further on that subject, because it also goes on to say that women buy the fewest lottery tickets. That is a suggestion that those of the male gender of our province are indeed the gamblers.

Miss Stephenson: Women obviously have more logic and more sense.

Mrs. Marland: It probably is, as the member for York Mills says, that women obviously have more logic and more sense.

An hon. member: What about bingo?

Mrs. Marland: At the meeting last night, we had representatives of 82 groups from around this province speaking on behalf of thousands of Ontario residents. They went to the meeting last night to say to the government of Ontario, "We are very much concerned with Bill 38." That is why they went to the meeting. They also invited the Treasurer to attend and, for whatever reason, neither the Treasurer nor any other member of the cabinet saw fit to attend the meeting. Obviously, commitment to the concerns of these people was not on their list of priorities.

When one looks at the people who are committed to culture, to the arts and to recreation and sports in this province, one sees that to the greatest extent the majority of them are volunteers. We are talking about taking away the funding of programs that survive today only because the majority of those programs are staffed by volunteers, particularly in recreation and sports where we obviously have all the coaches, managers and referees.

When we get away from the sports area, we are into areas such as guiding, scouting and many other similar kinds of programs which in the past have been great beneficiaries of the funds available through Wintario and Lottario.

Last night these people came to the meeting with tremendous concerns and they left the meeting with tremendous concerns. In the meantime, they heard a presentation by the

member for Halton-Burlington (Mr. Knight). Unfortunately the member was not able to address the concerns or even alleviate the level of concern in any way whatsoever for these people.

At the end of their meeting, they passed a unanimous resolution, which the Treasurer will be receiving very shortly, asking that the government withdraw Bill 38. They understand that the Treasurer has said he is not bringing it forward, but that is not good enough for those people who are concerned about spending in this province. They are asking that the bill be withdrawn.

The argument about lottery funding will be dealt with at a future date. I will not extend that discussion at this time, save to say that in this day and age people are willing to contribute to the wellbeing of their communities, to the pleasure and enjoyment of recreation time, whether it is through the performing arts, visual arts or recreation and sports. The leisure time of the people of this province is the best investment the province can make in trying to deal with health care costs.

There is a certain irony in hearing the Treasurer, as he did a little while ago in this House, ask a member of the New Democratic Party if he was against cancer research. I think that was the question. If we could do more in the area of recreation, whether through sports, through culture or the visual and performing arts, we could have a healthier province and could lower the health care costs. I see that as being a very realistic route for any government to follow.

If the government is telling people they need not be concerned about Bill 38 changing its commitment to those programs, then it could demonstrate that simply by saying: "We need to use these funds for other things as well as the areas they have been used for. We will leave the wording as it is but we will add other areas."

There are people who would buy lottery tickets for hospitals and other health care institutional causes along with the recreation, the culture and the arts.

17:50

The other area of concern I would like to raise is that of the small business person in this province. Small businesses in Ontario have received little assistance from this government even though they account for 90 per cent of all the new jobs created in the province. The new ventures program gives assistance up to only \$15,000, which is hardly enough to allow a new business to get off the ground.

Changes to the Small Business Development Corporations Act announced in the budget will mean fewer incentives for businesses in central and southern Ontario and no increase in those available for small businesses in eastern and northern Ontario. That is a major concern for people in that area.

I appreciate the opportunity to address some of the concerns on the subject of supply this afternoon in this Legislature, but I would like to finish by saying that in voting to support this resolution, I hope the government will take heed of some of the concerns I have addressed. I have addressed only a very small portion of the concerns I have, not only for the people in Mississauga South and the region of Peel but also for the people in our great province.

The Acting Speaker: Are there any questions or comments?

Mr. McClellan: I did not have any questions or comments. However, I wanted, if time permits, to have a short—

The Acting Speaker: Are there any questions or comments? If not, are there any members who wish to speak on this bill?

Mr. McClellan: I do not intend to take very much time, but since these are a part of the responsibilities of the Treasurer, who is paying acute attention to the proceedings—

Hon. Mr. Nixon: I am.

Mr. McClellan: —that is what I said—I want to raise a number of concerns I have with respect to one of his areas of responsibility; that is, pension policy. Once again, during question period today, the Treasurer indicated he had an open mind with respect to a number of issues that still have to be resolved in the government's bill to amend the Pension Benefits Act. We read daily statements of the bizarrely reactionary and neanderthal statements coming out of the mouth of the Minister of Consumer and Commercial Relations who has the carriage of the pension benefits amendment legislation.

I want to stress again to the Treasurer, who has the responsibility for pension policy, that the opportunity for pension reform in the private sector pensions of this province is a window that will be open for a very short time and then it will be closed, probably for another decade. The issues the government is failing to address are issues that will affect an entire generation of our citizens. The government refuses to accept the recommendation of the select committee on pensions, which was an all-party consensus of this Legislature—one of the members of the

committee being the Premier—which recommended inflation protection for private sector pensions.

Surely the Treasurer is aware that every \$100 of deferred pension benefits a person owns today at age 30 will be worth \$25 when that person retires. That is the reality, and it is beyond me how this government has moved away from the all-party consensus that existed in 1981 to require an inflation adjustment provision to make private sector pensions a reality to be incorporated into the Pension Benefits Act. It is simply a hoax for most people that the money they invest in their prime earning years, in their 30s and 40s and even in their 50s, becomes, even at today's rates of inflation, which are at an all-time low, relatively meaningless during the lifetimes of the employees.

That is why the issue of surplus pension withdrawal is so important. So-called actuarial surpluses in the pension funds, which are, after all, the deferred wages of workers, have to be available for inflation protection. That is where the money will come from and that is where the financial cushion can be found to protect pensioners from the ravages of inflation. As long as this government continues to allow companies either to steal the money the way Conrad Black did, or, what is apparently more routine, to use the surplus funds to avoid having to make their annual service contributions, as long as the government allows employers free access to surplus funds it will not be possible to build inflation protection into our private sector pensions using the so-called excess interest approach. It is all set out in the select committee's report.

Mr. Haggerty: Financial institutions call it stripping of pension funds.

Mr. McClellan: Of course. Companies are bought and sold, as the Treasurer knows, to get access to pension funds so they can be stripped. That is precisely what Conrad Black did, and Conrad Black is simply the most odious example of the practice, which involves in its routine procedure taking surplus funds to pay off the annual service contribution. We stress again to the Treasurer that there is a historic opportunity for Ontario to become a leader in pension reform by using so-called excess interest—interest above and beyond the rate of inflation, which guarantees a fixed rate of return—interest above those amounts can be used to provide inflation protection.

It is all set out in the select committee's report. There was a consensus. What boggles my mind is

that five years ago, when we held hearings on this issue, there was a consensus that extended not just to the three parties but to virtually all the witnesses, including the witnesses from the finance industry, who came before the committee. This is again a matter of documented public record. There was no opposition, not even from executives of some of the trust companies and the other financial institutions who had stories to tell about their employees, even at the middle management and executive levels, who had retired on what they thought were generous private sector pensions only to find that time and inflation made a cruel mockery out of their well-laid plans and financial arrangements.

I am sure most members of this assembly can speak of examples from their own families—even of their own parents—who made what appeared to be prudent and sensible provisions for their retirement only to find that after they had been retired for 10 years or so their pensions were just cruel jokes. This is certainly true of members of my family, and I know of many of my friends as well who have parents and relatives whose financial arrangements were simply blown to dust by the kind of inflation we experienced during the past 15 years.

Again, I plead with the Treasurer to use all his influence within the cabinet and with his colleagues to address these two most important issues, which are linked together. Unless we can come to grips with the surplus pension fund withdrawal issue, we will never be able to achieve inflation protection. They are both absolutely essential.

18:00

While I am at it, I will say I do not understand why the vesting provisions of the pension bill are not retroactive. I did not realize this until very recently, but my understanding is that the two-year vesting and portability provisions will apply only to funds that are invested in the pension plan after January 1, 1987.

All moneys that were invested prior to that date will remain subject to the 10-and-45 rule in perpetuity. There is no retroactivity. All the money that we—not we, because we have our own unique arrangements—all the money ordinary people have invested in private pensions until the end of December 1986 will remain subject to the rule of 10 years of service plus age 45, even after the act comes into effect. In other words, it will take an entire generation for the two-year vesting plan to come into effect. I confess I did not realize that. I do not know

whether my understanding is still faulty. I ask the Treasurer to look at that very carefully.

We heard from the clerk of the select committee in 1981 that under the 10-and-45 rule, most people never collect a dime. I know in my constituency, where people work in the building trades, nobody works for the same company for more than two or three seasons. As the work is seasonal, virtually nobody has a private pension he can collect, even though everybody contributes to private pensions throughout all his working life. Most people are members of unions that have private plans. They make their contributions, and they lose them. They lose virtually every dime of the employer's share. When they retire, after a full lifetime of working and contributing, they are totally dependent on the Canada pension plan, the old age security program and the welfare supplements, the guaranteed income supplement and the guaranteed annual income system.

This is a stupid and fundamentally wrong situation. If the Treasurer does not make his vesting provisions retroactive, at least to some degree, it is going to be an entire generation before the new legislation is actually of benefit to many people in their 30s, 40s and 50s who are now in the work force.

There are some serious problems with pension policy as it has been presented in the draft legislation. If this is the best the government can do in the area of pension reform, it leaves open to question its commitment to doing anything at all. The basic questions have still not been addressed.

Mr. Andrewes: I do not want to make extensive comments because my colleague the member for York Mills, in her capacity as the Treasury critic, will no doubt have some more extensive remarks she may wish to make.

I feel somewhat inadequate in rising to participate in this debate. When I came to this House in 1981, I used to marvel at the manner in which the government House leader, Treasurer and Minister of Revenue rose in these debates. He would open his copy of Hansard and his copy of the bill and speak extensively. Occasionally, he was even on the topic at hand. However, he spoke extensively and it was amusing. We were all amazed at his accuracy and his ability to draw on a number of issues, whether or not they were appropriate to the bill at hand. He often provided a thoughtful contribution to the debate and occasionally provided some useful advice. I am sure he would agree. I want to try to live up to the tradition he established for us when we first came

to the Legislature. Given his long history here, I am sure he had been doing it for a number of years prior to that.

This is a debate on interim supply, which means we should be talking about monetary matters that pertain to the operation of the government of Ontario. In a statement in the House yesterday, I raised my concerns with respect to a monetary issue that falls heavily on the shoulders of the Minister of the Environment (Mr. Bradley), that is, the whole question of intervenor funding.

I am delighted the member for Lakeshore (Mrs. Grier) is here, because it was her question of about 12 months ago that introduced this subject and this debate to the House, with particular reference to a case the chairman of the Environmental Assessment Board refers to in the board's annual report.

It seems that in a consolidated board hearing into the Red Hill Creek expressway in Hamilton, to which my colleague from Wentworth (Mr. Dean) alluded earlier, the board exercised some judgement it felt was appropriate on its part in providing intervenor funding to a group or an organization that wished to appear before the consolidated hearings board on that issue. Of course, the costs involved in the intervenor funding were assessed to the proponent—in this case, the region of Hamilton-Wentworth—and it took the issue before the courts for a judicial review.

The note that the chairman of the Environmental Assessment Board makes in the annual report is this: "It should be noted that this judicial review was heard by the court in conjunction with the stated case from the Ontario Energy Board, essentially on the same question. The court reached a similar conclusion concerning the energy board's jurisdiction and indicated on the record that the issue (intervenor funding) was fast becoming one which should receive early legislative consideration."

When my colleague the member for Lakeshore raised this issue with the minister about a year ago—and I do not propose to pull out Hansard and read the verbatim discussion—she got a reasonably comforting answer from the minister that he was having a look at the whole issue.

Subsequently, during the hearings conducted by the select committee on energy, we were treated to a presentation by the Canadian Environmental Law Association representative Mr. Shrybman, who made quite a pitch to the committee on the subject of intervenor funding.

The logic of that pitch was that one ends up with a better hearing.

He used as an example the hearing that was held into an energy-from-waste plant that was proposed to be built in conjunction with the London Victoria Hospital rebuilding program. Because they were not funded up front and did not have the resources to do the research or to hire the engineers and consultants to review the information that the proponent put forward in defence of the proposition, they were forced to come to the hearing and ask the questions, which led to a very lengthy hearing.

18:10

The logic put forward by Mr. Shrybman was that intervener funding provided a better hearing, a more expeditious decision and a fairer and more effective environmental hearing process. I offered the criteria that Mr. Shrybman gave us in the committee to the Minister of Environment during his estimates when we pursued the issue of intervener funding in the instance of the proposal by the Ontario Waste Management Corp. to construct a liquid industrial waste treatment storage facility in my riding.

I offered these criteria to him because this is an issue about which my constituents feel very strongly. The Minister of the Environment has comfortably addressed on many occasions the question of intervener funding. Dr. Chant, the chairman of the crown corporation known as the OWMC, has on many occasions said that the corporation is prepared and willing to provide, and interested in providing, intervener funding for the environmental assessment hearing into this project.

Now where are we at? The courts have said it is time the government addressed this issue in legislation. I refer members to the report of the Environmental Assessment Board. In the case of the OWMC, we have both parties, the minister and the chairman, saying it is time we moved on this issue. We have the chairman of the corporation saying, and quite rightly so, that we should not be judge and jury, we should not be the ones setting the criteria for funding. We, as the proponents, are obligated to provide the funding, but someone has to set up the rules.

We say to the Minister of the Environment, "Let us get on with setting up the rules," because there are a number of groups out there, particularly in the Niagara region, who are preparing or are wanting to prepare for this hearing. They are looking for direction, they are looking for criteria and they are looking for some determination of what sort of resources they might expect to

support their case, to do their research and to prepare for this hearing, which is vital, if we are to believe in the process of the Environmental Assessment Act that the OWMC itself has gone through to arrive at some determination of the appropriate site for this undertaking.

When these proposals come forward, not only do we anticipate but also we hope and pray, and my constituents will as well, that the Treasurer will move swiftly, expeditiously and fairly to resolve this issue.

The Minister of Health is here, and I am delighted because there are a couple of health issues I want to touch on while we are going through this debate. Now he is going to leave.

In June, we reluctantly passed Bill 94 in this House after a marathon session, and the Minister of Health followed the passage of this bill with a whole series of announcements. First, he announced that all \$100 million of the lost revenue on which the government predicated its actions when it brought in Bill 94 was being recouped from the federal government, which would enable the government to enjoy some greater flexibility in the health care system.

After this, we heard a whole spate of announcements from the minister of major capital improvements in the hospital area: "\$200 million for Redevelopment of Cancer Treatment Centre." "Health Minister Announces New Hospital Beds for Westcentral Ontario." "Minister Announces new Hospital Beds for Southwestern Ontario." "Northern Ontario Hospitals Get 176 New Chronic Care Beds." "Minister Announces New Hospitals for Southwestern Ontario." "Health Minister Announces New Hospital Beds for Eastern Ontario."

We had this spate of announcements that almost reminded us of the days of election campaigns, the minister with his dog-and-pony show travelling the countryside, distributing the paper and all the good news he could bring to the people of this province in preparation for events to come. We learned where the beds would be. We learned when the beds would be built. I think we learned that, though I am not sure we learned that. We now are left to applaud the initiative—the member should not look so surprised—of a five-year to seven-year program. It was welcomed by the people of this province and it was needed.

What is it? It appears to be no more than an extension of existing programs that were in place in the previous two years. I think one of my colleagues touched on that issue earlier today. It is a continuation of a necessary and ambitious

capital construction program that was initiated in 1984.

I am not complaining and I am not castigating the government for the package it has put together. The minister has said it was needed. I agree it was needed. I am not questioning the need. I might perhaps question the integrity of the manner in which the announcement was made. However, we are politicians and we are inclined from time to time to do political things, particularly if they involve cutting ribbons or handing out cheques. It was interesting that this whole spate of announcements came following the antagonism the minister and the government had raised among the medical profession as a result of Bill 94.

Some might suggest the government was trying to rub salt in the wounds and rub it in a bit deeper, perhaps inviting further public venom by saying, "We care about people." I do not want to get off into that kind of tour at the moment, but I can unequivocally guarantee that when those beds are built, those beds will be full. The boards of hospitals being boards of hospitals, and hospital administrators in the province being hospital administrators, they will make sure of that if the minister gives them the operating budget to do it. I guarantee that the government will gain political points. It will have ribbons to cut and it will get all the congratulations it wants from this set of announcements.

18:20

Let us analyse why the beds are needed. My colleague the member for Mississauga South (Mrs. Marland) touched on this. It is the wrongful placement of many elderly people who find themselves occupying an acute care bed in a hospital when they probably should be in some other institution. They might even be healthy enough to be at home.

Unless something is done and unless the government makes a move to change that, it still has a problem. If 30 per cent of 2,000 beds in a particular district are occupied by the wrong patients and the government builds 1,000 more, it will still have 30 per cent of them occupied wrongly, unless the government moves to change that.

What changes? We have talked about geriatric assessment centres and the role they have. There is an excellent example in Ottawa with Dr. Dall. We have talked about giving elderly people in this province the choice of living at home. The government provides the care and the conditions so they can make that choice. It attempts to remove the barriers for those elderly people who

are making those choices. We talked about the emphasis on rehabilitation, giving them some stimulation so they continue to show a will to live.

If the government is truly concerned about the rising cost of health care—and perhaps that is the purpose of some of this debate—it has to examine what is driving the system to get at the root of the problem, because as long as it continues to build the beds, those beds will be full.

I will touch very briefly on the second health issue, which deals with the passage of two bills, Bill 54 and Bill 55, in this Legislature in July. They concern the profession of pharmacy versus the Minister of Health, or perhaps it is pharmacy versus the Deputy Minister of Health; I am not quite sure.

Those bills received second reading in this House, and when we went through the second-reading debate, I indicated to the minister that if there was one thing he and I might agree on—and he did not speak to the contrary; so I assume we agree—it was that something had to be done about the Ontario drug benefit plan. I may have disagreed with him on his methods, but we did agree on the fact that the issue needed to be addressed.

Those bills went through a number of amendments in committee, which speaks well to the process we are all engaged in here. They were brought back here in July for third reading, when we were able to express some further concerns about the legislation. They were concerns that were felt very deeply by our members and in some cases by members of the New Democratic Party. These concerns were not addressed in further amendments, but they are on the record.

All the while, the minister continued to hold to ransom the pharmacists of this province. He held them to ransom on the basis of an old formulary that had not been updated, although the drugs they were dispensing under that formulary had gone through a series of price increases. He held them to ransom on the basis of an old dispensing fee that had been put in place in January 1985.

In September 1985, he indicated to the profession that he would attempt to publish a new, updated formulary. Two weeks later, he wrote to them and said he had a court case which prevented him from doing that; fair enough. That issue was settled in February 1986.

When we had the debate on third reading in July 1986, he indicated to us again his intention to publish an updated formulary. In August 1986, he wrote to all the pharmacists in the province and said once again, "It is my intention

to publish an updated formulary and to deal with a number of these issues." Still we have seen no action.

We still see the same problem of holding the pharmacists to ransom. They are disgruntled. They are losing money. They can document that, and their role in the health care system starts to be jeopardized by that inaction.

This issue is further aggravated by the fact that we now have a number of newer, more effective drugs that are not listed in the formulary. We have a number of generic drugs that also are not listed in the formulary. We have the same group of consumers out here in the province on whose behalf the minister stressed he was introducing this legislation, and they are now being hung out to dry, along with the pharmacists.

While the minister and his staff try to bargain away those aspects of Bill 54 and Bill 55 that they do not like, the consumers of this province are being held to ransom, along with the profession. I say to the Treasurer, it is time we got on with that job, because the minister is failing the profession and he is failing the public, whom he claims to serve.

The Deputy Speaker: In recognizing the member for York Mills, may I draw the member's attention to the clock?

Miss Stephenson: You may do so, Mr. Speaker. I do not intend to talk out the resolution of the Treasurer, since we do intend to support it, but I would like to make one or two brief comments, and they will be brief because of the shortness of the time available.

First, I suggest strongly that it would be well if the Treasurer were to use his own capability and his own talents, which I have construed to be singularly significant over the past 11 years and one month, in the kinds of negotiations this government appears to be undertaking on behalf of the people of Ontario.

If they are going to sell off crown corporations, they should not send a little boy to do the job; they should send the Treasurer to do it. In that way, the people of Ontario might recoup a few cents out of the skill, the talent and the technology that were developed and expanded in this province on behalf of the people of this province. By hiring a gun, we have lost a huge

amount of money because of the ineptitude of that negotiation.

I prefer to believe it was the absence of the Treasurer that led to the absolutely disparaging remarks that have been made on all sides of this House regarding a man who has served this Legislature well for almost half a century. Perhaps because the Treasurer was not here to carry out those negotiations, the ineptitude of those whom the government hired to do the job has demonstrated clearly that they cannot manage any kind of closure on anything.

I am particularly concerned, and this is one point I would like to leave with members, about the fact that what the Treasurer has done in the past 17 months is to increase significantly the burden of taxation on the taxpayers of Ontario. I am not talking about the corporations. He has increased the taxation on the general taxpayer, the income-tax payer, more significantly in the past 17 months than has been done anywhere in Canada during the past decade. I hope he is feeling badly enough about that to consider seriously the possibility of using more wisely the funds that are being made available to him by means of interim supply, so he might reduce the burden of that taxation on Ontario taxpayers, who now are second only to the taxpayers of Quebec in terms of the total tax burden upon them.

That does not speak well for Ontario, it seems to me, and most of that burden has occurred very recently, unhappily. I believe firmly that something must be done about it, because the middle-income people, upon whom this province depends, may decide they will no longer contribute quite as vigorously as they have in the past and will slow down their efforts. I should hate to see that happen, because it has been the efforts of those individuals that has made this province great.

I will retire right at this moment hoping that the Treasurer, in moving this, will consider seriously some of the aspects that have been raised in debate this afternoon.

Motion agreed to.

The House adjourned at 6:30 p.m.

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No. 52

Hansard

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Legislative Assembly of Ontario



Second Session, 33rd Parliament
Wednesday, October 22, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, October 22, 1986

The House met at 2 p.m.

Prayers.

MEMBERS' STATEMENTS

CEMETERY COMPANY PRACTICES

Mr. J. M. Johnson: I have received a letter from Joyce King, president of the United Senior Citizens of Ontario, which reads as follows:

"The United Senior Citizens of Ontario are greatly concerned about consumer abuse and unfair competitive practices on the part of commercialized cemetery companies operating in Ontario. As you know, some of these corporations are buying up funeral homes and competing against small independent monument builders in an attempt to form a monopoly on the so-called 'death industry.'"

Mrs. King would like the government to put an end to the high-pressure sales tactics of these tax-exempt companies.

I very strongly concur with the views expressed by Mrs. King on behalf of the senior citizens of Ontario. I have had the opportunity to discuss the issue with Bill Geiger and Brian O'Brine of the Ontario Monument Builders Association. The OMBA is concerned that multimillion-dollar commercialized cemetery conglomerates are taking over the provincial market and requests the government to enact legislation to maintain a distinct separation among cemeterians, funeral directors and monument builders and eliminate the tax-exempt status of any cemetery which competes against taxpaying private companies.

I strongly urge the government to take immediate action to resolve this important issue.

NUCLEAR DISARMAMENT

Mr. R. F. Johnston: I rise today to remind members that this is International Week for Nuclear Disarmament as declared by the United Nations. After the recent failure of the summit in Iceland, a lot of us whose hopes were raised on the one day were feeling very bitterly disappointed on the next. Many events are happening all over Ontario. In Toronto this weekend there will be a large rally on Saturday at noon, followed by

a peace festival at Nathan Phillips Square later in the afternoon.

There are many ways in which the people of Ontario are expressing their views on this matter, and I am allowing members of the Legislature to take their part. Three years ago, I introduced a resolution to make Ontario a zone free of nuclear weapons. It was defeated at that time, but it will be reintroduced on November 13. I expect all members to be in their seats and to give support at that time to express our will as politicians in Ontario that Ontario should be freed and out of the madness of the proliferation of nuclear arms.

I expect many members will be lobbied in the next little while by people in their constituencies. I encourage members to speak with them and learn from them why this would be an important thing and a practical thing to do in terms of helping the world to move away from the nuclear armaments race and towards the sane policy of a world free of nuclear arms.

ONTARIO PUBLIC LIBRARY WEEK

Mr. McGuigan: Today in Blenheim, the community is celebrating Ontario Public Library Week with the official opening of the newly renovated and expanded Blenheim branch of the Kent County Library. Unfortunately, because of my duties here in the Legislature, I cannot be present in Blenheim to participate in this very important cultural and educational event. However, my wife is standing in for me.

The bookshelves and the card files of the Blenheim library have been witness to generations of children, students, professionals and those who read for the pure entertainment and relaxation a good book can offer.

I would like to take this opportunity to congratulate the Minister of Citizenship and Culture (Ms. Munro) on her efforts to continue the growth of library facilities across the province. I repeat her statement of yesterday: "Ontario public libraries play a critical role in the development of our social and cultural consciousness. Libraries are an essential part of our identity as Ontarians."

The minister's generous contribution of \$57,500 to the expansion of the facilities at the Blenheim library is, in my opinion, very well

spent public money. It is my belief that if we had to choose one building to remain from some catastrophe, we would choose the library. A person might think of the post office or the police station or the firehall, but within the library is the knowledge of—

Mr. Speaker: The member's time has expired.

INSURANCE RATES

Mr. Sheppard: To the disappointment of young and old alike, the oldest hand-painted carousel in Canada, and perhaps North America, stood silent this year at the Roseneath Fair for the first time in 57 years. Why? The sole reason is that the Roseneath Fair was unable to obtain liability insurance anywhere. If it cannot get insurance next year, the fair board may be forced to sell its beloved carousel.

The carousel, which was originally built between 1894 and 1904, was purchased by the people in Roseneath in 1929 and has been the highlight of the Roseneath fair until this year. As a boy, I looked forward to the rides on the beautiful carousel; so did my children and grandchildren. The merry-go-round of 40 hand-crafted horses predates the restored wooden carousel at Canada's Wonderland by at least 25 years and may be older than the racing derby ride horses at the CNE. It would be a crying shame for Roseneath to have to give up the carousel it is so well known for on account of inability to procure proper insurance. It has been a local landmark and source of pride for the residents in the community of Roseneath.

TARIFFS ON SOFTWOOD LUMBER

Mr. Morin-Strom: It is time this Liberal government started taking our forest industries more seriously. The 15 per cent tariff on softwood lumber announced by the United States this week will damage an important part of this industry at a time when northern Ontario is already reeling from an unemployment rate double that in southern Ontario. Yesterday the Minister of Industry, Trade and Technology (Mr. O'Neil) admitted that Canada made a mistake by offering a 10 per cent increase in stumpage fees. It has not done our case any good. The minister said it could weaken our case and that we should deal with this issue by fighting it straight on and not giving in in any way.

Surely Ontario and Canada gave away the store with the 10 per cent offer. The Americans did not have a legitimate case and may well have backed down, as they did three years ago, except

for the incompetence of our negotiators. I hope this reversal by the minister is a sign the Ontario government is also reconsidering its position on free trade negotiations. Trade talks have to be completely refocused to serve Canadian interests, particularly in regard to settling of current disputes. Our concessions to the US must end.

In northern Ontario, the government has to focus on action that will build and improve our forest industry. The minister should look at some of his own studies. The minister's forest industry automation study from November, for example, recommended first and foremost the need for marketing and manufacture of higher value-added products and the need for new processes to support higher value-added manufacturing. This is where we have to go to create meaningful employment in northern Ontario.

AIR-INDIA DISASTER

Mr. Offer: I am pleased to rise to inform the House that a dedication ceremony will be held this evening at the Credit Valley Hospital. It is going to be held by the Air-India flight 182 memorial fund committee. Through donations and fund-raising activities, this committee will have collected a little more than \$100,000.

The Air-India flight 182 tragedy left in its wake grieving families and friends in communities across the province, depriving loved ones of that most precious of all gifts, life. It brought together the bereft in a spirit of mutual concern and support. Out of that unity was born the Air-India flight 182 memorial fund and a commitment to preserving the memory of those who perished.

It is a tribute that in the time of a disaster of this magnitude comes hope for many in the future. This hope is due in large part to the funds being raised and donated to the Credit Valley Hospital. Countless persons will benefit from these funds through increased hospital services and the spirit and memory of those who lost their lives in Air-India flight 182 will endure for ever.

MINISTRY HIRING

Mr. McLean: I find it incredible that the Ministry of Government Services found it had to hire 194 people to fill what I must consider newly created positions. These new hirings took place in a span of just four months, between January 17, 1986, and May 22, 1986. The salary range goes as high as \$58,000. There are five pages full of these hirings. I totalled one set and came up with a maximum salary of \$908,000 per annum. Theoretically, we can extrapolate these figures

and come up with new hirings at an estimated salary outlay of \$5 million.

I am delighted to see the cleaners, the blue page telephone clerks and telecommunication account clerks find employment, but I am concerned with what appears to be a potential for a \$5-million increase in the government payroll.

14:12

STATEMENT BY THE MINISTRY AND RESPONSES

TARIFFS ON SOFTWOOD LUMBER

Hon. Mr. Kerrio: I want to update members of the Legislature this afternoon on the latest developments concerning the decision of the United States Department of Commerce regarding Canadian softwood lumber exports to the United States.

On Monday I told the House that Ontario's position was that the provinces, the federal government and industry had to fight this decision to impose a 15 per cent countervailing duty on our lumber and, above all, that we had to stand united in our efforts.

I said Ontario would do its utmost as part of a Canadian team. Yesterday, at a meeting with my provincial and federal counterparts, I advanced this position during a detailed discussion of the options that are open to us.

I am pleased to say Ontario's view prevailed at this meeting. All parties agree with our position that we must fight to reverse this decision. At this point, we are working together to investigate all diplomatic and legal channels to bring home to the US administration why this unfair decision must be reversed.

From a legal point of view, it is clear to all of us that the preliminary decision is highly questionable. It is manifestly weak in its analysis and contrived in its evidence. We are advised that it is seriously flawed. In addition, following legal advice that the preliminary decision is faulty and our own identification of major errors, officials, including those from Ontario, are preparing a basis for refuting the decision.

Through this kind of solidarity, we will stand united in our fight to oppose this threat to a vital Canadian industry. We will fight this ruling, we will fight it together and we will fight it hard.

Interjections.

Hon. Mr. Kerrio: Wherever.

Mr. Foulds: He will fight them with beer bottles; he will fight them with wine in the corner stores.

Mr. Speaker: Order. I have not called for responses yet.

Mr. Bernier: I am pleased to respond for our party to the knee-jerk statement by the Minister of Natural Resources with regard to a very serious situation, which will have disastrous effects right across northern Ontario. I cannot believe the minister would bring in such a simple statement as he has this afternoon, telling us absolutely nothing. The only thing it does tell us is that he is finally aware of the seriousness of this situation.

The minister sat down yesterday with his counterparts to look for some kind of global consensus. I am amazed he would waste all his time doing that when he knows it was strictly a political decision in the United States. It had to be announced before the congressional elections in the United States in November. Why does he not find his backbone and get down to Washington where he belongs and fight for Ontario?

Mr. Brandt: Who speaks for Ontario?

Mr. Bernier: That is correct. Who speaks for Ontario? I am disappointed with the minister's statement and his actions to date. I think they are meaningless. I do not think the commitment to northern Ontario, about which we hear the Premier (Mr. Peterson) talk so much, is very real. It is certainly not real in this statement. This is a terrible statement that tells us nothing. I can guarantee that nothing will come out of the minister's efforts, because they are way too soft.

Mr. Harris: I was a little surprised to hear the minister say today: "Ontario's view prevailed at this meeting. All parties agree with our position. We must fight to reverse this decision." What finally prevailed was the position of the Progressive Conservative Party of Ontario. We hope it is not too late. Certainly, it will still be at great cost, threat and expense, but it is the position that prevailed. Why did it take the minister so long to get there? It was probably his lack of understanding about trade vis-à-vis Canada and the United States and of what is going on down there.

Following yesterday's meeting with the federal Minister for International Trade, the House is today being treated to the spectacle of watching the government try to bolt the barn door after the horses have run off. Those of us on this side of the House are pleased that the members opposite have perhaps learned something from a year and a half of inaction and lack of understanding of what is going on. Perhaps they have learned something and are now attempting to copy our successful efforts of 1983 and 1984 to defend Ontario's share of the \$3.7-billion worth of

Canadian exports in softwood lumber to the United States.

The government has had a lot of knee-jerk reactions to try to explain its incompetence. I read in today's *Globe and Mail* that it might be thinking of establishing an office in Washington now. It was not very long ago that it closed an office in Philadelphia that had, among other things, the support of the AFL-CIO and the unions in the United States. On the trade issue, it helped us penetrate those markets for our Canadian companies and helped us fight the buy American policy now becoming more prevalent in the United States. The office was within a couple of hours' drive of Washington. It was our access to Washington, and the government shut it down. Its knee-jerk reaction now is, "Maybe we should have an office down there." It is typical of the way the government is all over the map.

The minister likes to talk about savings. He talked about the savings when he shut down that office. Has he thought through this whole budget? Given the fact that fighting a tariff decision will be costly, much more expensive than preventing an appeal and a fight, will the minister explain to the Legislature how much of the legal costs will be borne by the Ontario taxpayers in comparison to that paid by the governments of British Columbia and Quebec, whose stumpage fees have enraged the Americans and have caused the problem?

Mr. Foulds: I have a few comments, as will some of my other colleagues, about the statement by the Minister of Natural Resources.

One is reminded that timing is everything in politics and everything in courage. This ministry and this government found their politics and their courage too late. This is the only government I have seen that can pretend to be fighting when it has already retreated. Last week, when the announcement first came down, the Minister of Industry, Trade and Technology (Mr. O'Neil) said in this House that quite a bit was done. The Minister of Natural Resources indicated that while 15 per cent was a burden, it was not as bad as 37 per cent. The tone in which he said it indicated that he was initially satisfied that the levy was only 15 per cent.

What has happened is that this government has discovered too late that job security in northern Ontario is threatened by its giveaways over the course of the past few months with the government of Canada. This government has discovered too late that it has a tiger by the tail. It has failed the people of northern Ontario. More than

that, it has failed the people of Ontario, just as the federal Tories have failed the people of Canada.

Mr. Morin-Strom: My question for the Minister of Natural Resources is, where is the horse? The barn door has been open for three weeks. We have blown it. The government has given away the 10 per cent, and now it comes back to repent and say the negotiation tactic was wrong; it should have done something else. This complete flip-flop is a sign of the incompetence of the government in handling the whole affair.

It is time the government reassessed its position not only on the lumber issue but also on the whole free trade negotiation. The government continues to sit by while the federal Conservatives are pursuing a comprehensive free trade agreement, giving concession after concession to the Americans. We saw the Foreign Investment Review Agency concessions and we saw the national energy program giveaway. We saw the concession in allowing the Cruise missile testing, and we see them giving away our opportunity for generic drugs and the costs we will have in this country in terms of drugs as a result of the giveaway that is imminent in the pharmaceutical issue today. We lost on the shakes and shingles issue. We have given up concessions on steel. Now we are giving in on softwood lumber. Where is this going to end?

The federal government continues to give these concessions to keep the Americans at the negotiating table in the pursuit of this illusive free trade agreement. However, to this point we have nothing for the effort. It is time to stand up for Ontario's interests, for the manufacturing concerns in the province, for the workers of the province, and say enough is enough. The time for action is here. The Ontario government must take action on the free trade issue at this time.

Mr. Wildman: This minister is to trade negotiations what the Ottawa Rough Riders are to big league football. This government does not understand that it has already given away the store. It is going to be impossible for us to win this appeal now that we have already agreed the 10 per cent should be added to our stumpage fee. Why is it that this minister thinks he can now fight a battle he has already given up on? It is as if he has missed the playoffs and suddenly he thinks he has another chance.

There is no way we are going to win this kind of argument with the Americans when we have already agreed with them that in fact we are subsidizing. It is too late to go back. Why was the Minister of Natural Resources not there when he

should have been? He has missed the playoffs, and now he does not have another chance.

Ms. Gigantes: On a point of privilege, Mr. Speaker: I know my colleague, having come from the Ottawa Valley, feels bitterly when the Ottawa team loses; so what he perhaps will use in future allusions is, "It is like being the Liberal team in Sault Ste. Marie."

Mr. Speaker: I thank the member for her point of information.

14:25

ORAL QUESTIONS

SALE OF APARTMENTS

Mr. Gordon: I have a question for the Minister of Housing. It has been reported that Clarkson Gordon has recommended a buyer for a chunk of the 11,000 apartment units that were flipped in 1982. It has also been reported that the offer of the Trevor Eyton consortium to build 1.25 units for every unit converted into condominiums has been rejected. The minister has often touted the need for more supply and has said he is doing everything possible to get it. Will he tell the House why this offer was rejected and what he is going to do about it?

Hon. Mr. Curling: I thought the honourable member would know that I cannot tell him why the offer was rejected. Right now the matter is in the hands of the court to decide the final buyers of the 11,000 Cadillac Fairview units that are being sold on the market. I cannot give the member a reason why it was rejected.

Mr. Gordon: The minister and his staff are obviously interested in supply and are trying to do everything possible to keep a close eye on it. Will the minister tell the House what the capital expenditures on those units likely will be? Will he also tell the House to what extent these capital expenditures will be on those units and how this will affect the tenants under the new provisions of Bill 51?

Hon. Mr. Curling: I thought the member had a proper grip on what was going on in regard to the units that are being bought. I cannot tell him the capital expenditures of the prospective buyers. I do not know their forecasts and what they intend to do with these buildings. However, I can tell the member that we have in place a protection that a ceiling of a maximum of five per cent of the cost can be passed on to tenants with the financial transaction agreement that is taking place.

Mr. Gordon: How will capital expenditures affect that?

Hon. Mr. Curling: I cannot tell the member what the capital expenditures will be. If the member will just listen, he might learn something from this. I cannot tell him what the prospective buyers will do. As I said, I can tell him that the maximum amount of money that can be passed on to tenants is five per cent.

Ms. Fish: In view of the commitment of the Premier (Mr. Peterson) to review the court's final decisions on buyers and in view of the preliminary turndown of the offer to provide 1.25 units of rental for every possible conversion to condominium of any of those units, what steps will the minister take to ensure that if there is any conversion of those units to ownership, there will be a minimum of 1.25 units built for every unit converted?

Hon. Mr. Curling: The honourable member knows that when Bill 11 came into place it was to protect rental units from being converted into condominiums. I can assure her they will not be converted to condominiums. I gather that was the first part of her question. The member is alert to the Trevor Eyton proposal; it was rejected, and he can take it to the courts for an appeal in that respect.

14:30

ORGANIZED CRIME

Mr. Harris: I have a question for the Solicitor General. Allegations made at the trial of alleged members of the Outlaws motorcycle gang have raised concerns about the scope and influence of organized crime in Ontario. Will the minister tell us today what his government has done to deal with what is obviously a growing problem in this province?

Interjections.

Mr. Speaker: Once again, I remind all members that interjections are out of order. They are just wasting other members' time.

Hon. Mr. Keyes: Question time does not provide us the opportunity to give a full lecture on the extent of what our people are doing with regard to the potential of organized crime in this province. We are aware that there are certain areas where concern has been expressed by police officials, and we certainly have steps in hand to look after the problem. We feel it is not deemed serious to the extent that one might be led to believe by members of the opposition.

Mr. Harris: That is a shocking answer. The minister is saying it is not a problem, it is not on the increase, and he is doing things in the normal course of events.

The minister will no doubt be familiar with the Criminal Intelligence Services Canada report, which has pointed to the Triads, the bikers and the Mafia as being the major players in organized crime in Canada. He will be familiar with reports that this city is home to at least four of the 11 Triads in Canada, that they viciously exploit the Oriental immigrant community in this city, that rival Ontario bike gangs are competing for control of the illegal drug trade and that one bike gang is believed to control young prostitutes on the east track in Toronto.

Organized crime activity is on the increase in this province. What has the minister done to support the police and the local forces in their efforts to control this menace? Can he give us one thing?

Hon. Mr. Keyes: Yes. We have provided the manpower for a team that has reviewed very carefully the extent to which there has been any infiltration into the particular areas to which the member referred. If he cares to see some more of the work we have done, we will be more than happy to have him meet and see it.

Mr. Harris: The minister knows his own Treasurer (Mr. Nixon) has said that more co-ordination and what not is not the answer; that, in fact, a special group of advisers is needed to deal with it. He knows that is his own Treasurer's position on the matter. Has the minister called for a commission of inquiry into organized crime in Ontario, and when is this inquiry going to start?

Hon. Mr. Keyes: I have not called for such an inquiry. This government does not deal in consistent appointments of royal commissions. We have people within our own staff who are capable of reviewing it, and that is exactly what they are doing; they are on top of it at all times.

EXTRA BILLING

Mr. Rae: In the absence of the Minister of Health (Mr. Elston), I have a question for the Premier. Given the uncertainty of the answers over the past few days with respect to extra billing, I would like to bring yet another case to the attention of the Premier.

A letter from LIFE, or laboratory-initiated foetal emplacement—which the Premier will be aware is a special fertility program at the Toronto East General and Orthopaedic Hospital—has at the bottom of it the names of five medical doctors. The letter is dated September 26, 1986, and it says:

"Dear LIFE patient:

"Effective Wednesday, October 1, 1986, there will be an administrative fee of \$500 charged for each treatment. This will be payable on your arrival at the LIFE program office when you arrive for treatment on day five. If you have any questions regarding this administrative fee, please contact your LIFE program doctor.

"Yours sincerely, LIFE program doctors."

Can the Premier tell us what he intends to do about this utterly unacceptable fee being charged to individual patients in Ontario?

Hon. Mr. Peterson: I thank the honourable member for bringing these examples to my attention and to the attention of the minister. As the minister told him yesterday, and I believe the day before, the minister will be chatting in the very near future with the president of the Ontario Medical Association. The minister is looking at these individual situations, and when he has a full handle on all the facts that have come to his attention, as raised by the honourable members and others, I am sure he will be in a position to give him a very clear response to that.

Mr. Rae: Those of us with memories, quite apart from the memories of earlier question periods, will recall that on April 26, 1983, before other events took place, the present Premier had this to say about extra billing:

"We believe there should be universal access to opted-in services, and there are real administrative problems, particularly in some of the specialties—anaesthetists, obstetrics in certain areas—but I see it as a safety valve at this point in the system that lets some steam out of the system in this uneasy peace that has been reached between the doctors and the government; i.e., the taxpayer."

Does the Premier not realize that what we are seeing again, just as we saw it prior to his conversion on extra billing and the passage of Bill 94, is precisely the same set of problems—indeed, in some respects, the same set of specialists—only a different technique is being used with the same result and the same burden is being placed on the individual patient? He converted once and he was a born-again opponent of extra billing. When can we—

Mr. Speaker: Order. You have already asked the question.

Hon. Mr. Peterson: I answered the question as well as I could just a moment ago. At the moment, the individual examples are being looked at with respect to whether there is any attempt to circumvent the current law and how widespread the practice is. I appreciate the member's bringing these matters forward. Obvi-

ously, each one of them needs to be investigated and the true facts determined in that regard.

As he knows, other discussions are going on with the OMA with respect to the fee schedule. As everyone acknowledges, some adjustments may have to be made in that regard, and the minister is working on those questions at present. I appreciate the member's bringing these matters forward, but I counsel him not to overreact and call for a new piece of legislation until there is a very clear view of how widespread the problem is.

Mr. Rae: Talk about a time warp. In the very same paragraph of his response on April 26, 1983, the present Premier said:

"If it became excessive, if there was not, I think there are individual cases of abuse, but we have to be careful that we do not try to redesign the system entirely that will put so many more stresses on it just because of some of these cases."

The Premier's answer today is exactly the same as it was back in April 1983; only now we need a second conversion, a second response.

I wonder whether the Premier is aware of the case of a Dr. Paul Bernstein. Since I have been asked by his own minister to name names in the Legislature, I have no choice but to do so. He is a doctor of obstetrics and gynaecology at Mount Sinai Hospital, whose letter to his patients begins, "The recent legislation enacted by the Ontario government, Bill 94, has made necessary a change in the billing mechanisms in my practice." He is charging his patients, in bills they are receiving in some cases after the birth of their child, a standard fee of \$250.

What does the Premier intend to do about a practice that is not simply confined to a few cases? If he wants us to pile them higher and deeper every day in this Legislature, we will do so until he is prepared to act to end extra billing.

Hon. Mr. Peterson: I suspect my honourable friend is going to do that, and he is very welcome to bring forward these cases in this House or through any other mechanism he chooses. We have described to him the actions the government is taking at the moment. We are assessing the situation, and we will respond appropriately at the appropriate time.

OCCUPATIONAL HEALTH AND SAFETY

Mr. Martel: I have a question of the Premier, in the absence of the guardian of the swamp, regarding the McMaster University coverup of the health effects on Domtar workers exposed to coal tar pitch volatiles.

The Premier should be aware that, under pressure from the company, the first report done by Dr. Chong and Dr. Haines was rewritten, with the full knowledge of the Minister of Labour (Mr. Wrye), to show that fewer workers were suffering from coal tar exposure.

Why did the Minister of Labour support the second Domtar study, which was done by Dr. David Muir of the McMaster occupational health program and which found that only 15 workers were sick from coal tar exposure, when the original McMaster study found that 45 of the 74 workers were sick?

Hon. Mr. Peterson: I have no idea, but I will speak to the guardian upon his return tomorrow and ask him to respond to the member's question.

Mr. Martel: This problem is serious. Is the Premier aware that although Dr. Muir indicated to the Toronto Star yesterday that the two examining physicians I named, Dr. Chong and Dr. Haines, approved the revised report, this is not true? The two physicians refused to sign the second report, which was done without examining any of the patients. Dr. Muir did not look at a patient.

Will the Premier order the Minister of Labour to clean up Domtar on the basis of the first report?

14:40

Hon. Mr. Peterson: I will take the member's advice to heart. I will discuss it with the Minister of Labour. I am sorry, but I am not familiar with the details the member raises in the House. I will discuss it with the minister, and I hope to have a response very quickly for him. If there are any other facts, I would be happy if the member would share them with me.

Mr. Martel: Since the funding has gone to McMaster University from the province and its conduct in this case is reprehensible, is the Premier prepared to allocate funds now to establish worker-controlled clinics around this province so workers can hire doctors to examine them, so there are no more coverups such as at Domtar, de Havilland and American Can? The list goes on. Will he provide the funding to establish those worker-controlled clinics?

Hon. Mr. Peterson: I appreciate the member's suggestion. I am not in a position to give him a definitive answer to that question today. I will discuss it with the minister and I hope there will be a response for the member tomorrow on the constructive suggestion that he has made.

ALLEGATION AGAINST MINISTRY EMPLOYEE

Mr. Gregory: I have a question for the Minister of Transportation and Communica-

tions. No doubt the minister is aware of the allegation that the Outlaws motorcycle gang paid an employee of his ministry to check out probationary club members and thereby undermine undercover police work and put undercover police officers at considerable risk.

Will the minister tell us what action he has taken to substantiate these allegations and to identify the employee of his ministry who is allegedly involved in these activities?

Hon. Mr. Fulton: Because of other commitments and the fact that the cabinet was meeting prior to the House, I became aware of this issue in the press at about 10 minutes to two. I have asked my staff to investigate it as thoroughly as possible and report to me whether the allegations as outlined in the press are accurate. It is a serious matter. We are certainly looking into it. I hope I can have a more complete answer at a later time.

Mr. Gregory: Will the minister tell this House, if the allegations prove to be factual, what disciplinary action will be taken if the employee is identified?

Hon. Mr. Fulton: It would be unfair to the employee in question to speculate at this time. It is a hypothetical question. We do not know whether the allegations are true or not.

OCCUPATIONAL HEALTH AND SAFETY

Mr. Martel: Again, I have a question of the Premier about the swamp. The Premier may be aware that my colleague the member for Hamilton East (Mr. Mackenzie) and I raised the matter of Domtar with the Minister of Labour (Mr. Wrye) in August 1985. We received a response in October, which stated in part, "On that basis then, I will be pleased to provide you with a summary of the survey results and the action which my officials are taking in light of the findings, once the relevant discussions have been concluded."

The Premier might also like to know that a Mr. Brian Verrall, manager of the McMaster occupational health clinic, in a letter of September 1985 said: "In the meantime, our summary report of the health status of the original report stands as is."

Since the minister promised me this survey, he then supplied me with a copy. Unfortunately, I did not receive page 12 with the summary. I got a gobbledegook copy with page 12 ignored.

Mr. Speaker: Question, please.

Mr. Martel: It was a lot of gobbledegook which did not document the number of workers ill. Why was a doctored report provided to me?

Why have I not received until this time a report on the findings of that study?

Hon. Mr. Peterson: I apologize to the member, but I have no idea. I will discuss the suggestions he is making in the House today with the minister. When he makes suggestions or allegations in this House, I can assure him we acknowledge his questions and we take those things seriously. I will follow up all the questions he has raised today.

Mr. Martel: Since pressure has been exerted on Dr. Chong and Dr. Haines by Dr. McCalla, vice-president of McMaster, and by Dr. Muir, the program director, both of whom work in an advisory capacity to the Minister of Labour; since I have had to raise this matter in estimates about the pressure being exerted; since Dr. Chong has now been moved sideways out of the occupational branch at McMaster; and since Dr. Haines has been told if he wants his job, he cannot test the patients in the workers' clinic in Hamilton run by the workers themselves, will the Premier order a full investigation into the conduct of McMaster University in this matter and at the same time an investigation as to why the Ministry of Labour allowed the second report to be written to cover up the serious effects on the workers in that plant?

Hon. Mr. Peterson: I am going to try to get to the bottom of the facts as the member presented them in this House. I will have to determine a little later what kind of action to take if we determine that it takes further action than that. We will get a handle on this, share the information with the member and make a determination after those facts are gathered.

RED HILL CREEK EXPRESSWAY

Mr. Dean: I have a question for the Premier. In the past few weeks, there have been growing concerns in the Hamilton-Wentworth area that the government intends to overturn the decision of the consolidated hearings board which approved the construction of the Red Hill Creek expressway. These concerns arise from the fact that it now has been a full year since the board ruled in favour of the project. Can the Premier tell us why this matter has been before the cabinet for a year with no answer and can he tell us when we can expect a decision?

Hon. Mr. Peterson: One of the reasons is that we have had to clean up so many messes that those guys left behind that we are a little backlogged. The matter is before the cabinet committee on legislation at present. There are ongoing discussions. There are a number of

propositions, as the member knows. We expect to be able to tell him the results of the deliberations in the not-too-distant future.

Mr. Dean: This issue has been studied for more than 10 years. The Premier speaks of complications. I think the evidence before the consolidated hearings board was very clear. If the legislation committee looks at that, it will see that the complications are very easily resolved. The board listened to presentations for several months and there was a great amount of evidence. It has been studied to death. Can the Premier tell us what information he could possibly be missing after so much study, debate and consultation, or is he deliberately ignoring a very important part of the province, the Hamilton area?

Hon. Mr. Peterson: Not at all. As a matter of fact, I never cease to be amazed when I go to Hamilton and the senior officials tell us how happy they are with the attention this government pays to the Hamilton area. It is a high priority area for this government.

The member was saying that this thing has been discussed for 10 years. That is interesting to know. He is 90 per cent of the problem. Perhaps he will stand up and explain to his colleagues why he held this thing up for nine years. I tell my friend opposite that we are looking at the matter at present. I hope to have a decision in the not-too-distant future. There are a number of things that have to be tied together. I would be very interested in knowing the member's opinion of this entire matter. Where does he stand on the matter?

TARIFFS ON SOFTWOOD LUMBER

Mr. Foulds: I have a new question for the Ministry of Industry, Trade and Technology. On Monday he told the House that Ontario "reluctantly went along with" the federal government's concessions on softwood lumber, even though he indicated the federal government's position was not a good one. Yesterday he is reported as saying, "We should deal with the issue by fighting it straight on and by not giving in in any way." Does he not think it is a little late? Does he not think that he and his government have already sold out the security of jobs in northern Ontario? Does he not think that it is time he resigned?

Hon. Mr. O'Neil: I will reiterate what I said yesterday. I think the rest have sort of come around to the way we expressed ourselves the first time, that they should not have supported an offer. We intend to fight this and we intend to win it.

Mr. Wildman: Can the minister explain how his statement just now that "the rest"—I suppose he means the other governments in this country—"have sort of come around" to the position sort of expressed by this government is going to help us in the appeal that has to be made in the United States? Does he not agree that by suggesting a 10 per cent increase in stumpage, this country and this province have given the American industry the ammunition it needs to ensure that this decision is confirmed, if not actually increased, by the end of the appeal period? How can he say he is protecting the interests of Ontario?

14:50

Hon. Mr. O'Neil: We had meetings on Monday evening and we also met yesterday afternoon, into the evening, and the people who were there who gave us the results of the Department of Commerce disclosure conference held Monday feel that we have an excellent chance of winning the case. We intend to fight it and to win it.

INSURANCE RATES

Mr. Cousens: I have question of the Minister of Community and Social Services. For a year and a half now, the insurance crisis has become more and more severe in our province. More agencies of the Ministry of Community and Social Services are being adversely affected because they are not able to obtain sufficient liability insurance. What is the minister doing to help solve this crisis within the agencies supported by his ministry?

Hon. Mr. Sweeney: We indicated to all our agencies that were having difficulties that the Ontario liability insurance group that works through my colleague the Minister of Consumer and Commercial Relations (Mr. Kwinter) was prepared to help them. Up to this point, every single agency, with one exception, the Blue Hills Academy in Aurora, on which we are still working, has had its insurance problems settled by that operation. It would seem it is working successfully.

That is not to suggest that there are not still more problems that will have to be channelled through. We are looking at a whole range of things. We have clearly said to the agencies that there is a mechanism in place. It has worked in every single case, with the one exception that is still ongoing, and we are hoping to get that one settled too.

Mr. Cousens: I compliment the minister for being aware of the Blue Hills Academy situation.

The problem is severe. Whereas they had \$5-million worth of child molestation insurance, they can now get only \$250,000 of child molestation insurance; whereas before they had \$5 million of insurance for athletic injury, they can now get only \$1 million liability insurance; whereas before they had \$5 million for general liability, they can now get only \$1 million. They had 16 members of the board; 10 have resigned. Programs are being cut back. This problem has existed since July 1.

What is the minister doing specifically to solve the problem at Blue Hills Academy? Can he take over the insurance and begin to handle the problem so that we do not have deterioration of services for our emotionally disturbed children?

Hon. Mr. Sweeney: The honourable member correctly recounts the problem; there is no disagreement between us on that. Quite frankly, the problem we have with the insurance industry is that the increases the companies seek refer to situations that have never created a problem before. When we talk to them, they simply say they are anticipating a problem. It is pretty difficult to deal with the industry when it is basing its projections on an anticipation with which we cannot grapple.

The fact remains that there are six members of the board left. We are working with them, and we have even gone to the United States to try to find insurance, particularly reinsurance, if necessary, and we will resolve this problem. We have indicated to the six members who are still left that we will not see them left in any particular difficulty. They are aware of that, and we are working with them. To the best of my knowledge, the programs are ongoing.

TRITIUM REMOVAL

Mrs. Grier: I have a question of the Minister of the Environment about tritium. In 1977, the previous government exempted the Darlington nuclear power development from an environmental assessment. At that time, a plant for the removal of tritium was never mentioned and, therefore, is not part of the exemption order. The minister has now decided that the original exemption order does not restrict the installation of the \$120-million tritium removal facility. Does the minister mean by this ruling that once an exemption order has been given for a site, any new projects or additions are not subject to further review?

Hon. Mr. Bradley: If the member is looking for an answer to further projects down the line, which I detect she is—

Mr. Rae: We are looking for an answer to the question.

Hon. Mr. Bradley: Why did the leader of the third party not ask the question if he is going to ask it again now? The member has asked an excellent question in my view.

Mr. Speaker: There is no supplementary.

Hon. Mr. Bradley: I interpret it as, if a future facility were to be constructed in Ontario, would the same rules apply? I assure the member that if another installation were to be constructed—and I do not know of any plans on the part of the Minister of Energy (Mr. Kerrio) or Ontario Hydro to construct one—we certainly would not be in a position to have the same rules that applied in the past apply to that facility.

Mrs. Grier: The minister seems to ignore the very dangerous precedent his ruling has set. Is he implying that we can perhaps have a nuclear waste disposal facility at Darlington because of the ruling he has made? Will he call a public hearing into two crucial elements of this project for tritium removal, which must be publicly discussed?

Will he examine the effects of tritium export on nuclear weapons manufacturing and will he allow the public some input into the question of the transportation of tritium from other nuclear plants across the province to Darlington? Does the minister not agree that he must provide the opportunity for some public scrutiny of these two very important questions?

Hon. Mr. Bradley: In regard to its use in nuclear weapons, I can indicate that our government and the minister have indicated on many occasions that we would naturally be opposed to the use of that material for the construction of nuclear weapons. I think we are on record on that.

In regard to the transportation, I think the member does have an area which certainly would fall within the realm of the Ministry of the Environment and I am certainly prepared to look very carefully at that suggestion which has come from—

Mr. Foulds: We have the swamp in the Ministry of Labour and the blob in the Ministry of the Environment.

Hon. Mr. Bradley: It is difficult, Mr. Speaker, to answer these questions when the member for Port Arthur is interrupting.

Mr. Speaker: I appreciate that. If the minister addressed the response through the chair, he might not hear the interjections either.

Hon. Mr. Bradley: I consider myself suitably reprimanded by the Speaker, and appropriately so. The member has a serious question, which Energy Probe, for instance, has brought to my attention. In terms of the transportation, we are exploring that possibility now.

As to the first one, I think that is very difficult in terms of my ministry having a specific responsibility and role over whether or not it will be used in nuclear weapons. The Premier (Mr. Peterson), the Minister of Energy and the government as a whole have said that we are totally opposed to the use of the tritium in construction of nuclear weapons.

FRENCH-LANGUAGE SERVICES

Mr. Gordon: I have a question of the Minister of Community and Social Services. The francophone community in Sudbury and northeastern Ontario is fed up and incensed with the lack of adequate mental health services for children in the francophone community. The minister knows that Franco-Nord has had on his desk now for some months a submission to take over the services from the Sudbury Algoma Hospital. When is he going to do something about this submission?

Hon. Mr. Sweeney: It is true that the request is in. At the same time, in all fairness to Sudbury Algoma, we indicated we would review and audit the program it is offering to see whether or not a transfer—and we are not necessarily opposed to the transfer. We want to be sure the service is going to be provided properly. We are now in the process of doing a review and an audit of the Sudbury Algoma program. When we have that information back, we will compare it with what Franco-Nord wants to do; and quite frankly, if Franco-Nord's submission is a preferable one and within reasonable price ranges we will consider that option.

Mr. Gordon: In talking about this subject, the minister sounds as if he is a very reasonable person, but this problem has existed in Sudbury now for more than a year. It has been a matter of concern to the francophone community.

Interjections.

15:00

Mr. Gordon: The submission has been on the minister's desk for more than six months. The director of the program at the Sudbury Algoma Hospital resigned in July, saying he was very worried about the way things were going for the children and it was impossible to stay on. Employees in the hospital have resigned because

of that programming. Three francophone board members at the Sudbury Algoma Hospital have resigned over this issue. The francophone advisory group resigned as well.

When is the minister going to act? His government promised it would do something for francophones in northeastern Ontario. When is he going to get busy?

Hon. Mr. Sweeney: The member will appreciate, in all fairness and with a sense of justice, that we will weigh the Franco-Nord proposal against a reasonable audit and review of what is ongoing now. Is the member suggesting that I simply accept somebody else's proposal without giving the people who are currently offering the program a fair chance to demonstrate the effectiveness of what they are doing? I do not think that is fair or just. The member would rightly criticize me if I did that.

The second point to keep in mind, given the proclamation of the Child and Family Services Act in November 1985, which has a specific reference to providing francophone services all across the province, is that we are working with francophone communities with different settings and different needs to set up a number of models as to the most appropriate way to do that.

I recently met with the council and explained some of these. They in turn explained some to me. They agree with us that this is the appropriate way to go. The one thing they did not agree with was that we should automatically accept a proposal coming from someone else without looking at the alternatives. I think that is the just and the fair way to do it.

AID TO DISABLED

Mr. R. F. Johnston: I too have a question for the Minister of Community and Social Services. No doubt he was no less surprised than I about the statement of the National Council of Welfare that there are more poor in Canada today than there were in 1980. The only group that seems to have benefited from social assistance has been senior citizens. The disabled have markedly had no major help in getting out of the quagmire of poverty.

In Ontario today, a senior lives on no less than \$727 a month, whereas a disabled person can live on as little as \$329 a month, 55 per cent of that amount. When does the minister plan to implement the policies promised by the Premier (Mr. Peterson) when he was in opposition and by the then critic, the member for Windsor-Sandwich (Mr. Wrye), that they would get rid of this

inequity and have the same rate for seniors and the disabled in Ontario?

Hon. Mr. Sweeney: The 1986 rate package is the most generous that has been given in this province in many a year. The member will recall the disabled are included in that package, in both the additional \$81 million we gave in January and the \$25 million that was given on September 1, 1986.

I fully recognize the discrepancy. That is included in our proposals for the next rate package. The member should at least accept the fact that a considerable amount was done in 1986 and more will be done in 1987 and 1988. We have met with the various advocacy groups representing the disabled and discussed with them this phased-in program; it is not going to be done in one year.

Another thing is that we have definitely improved the attendant care program, which assists the disabled to stay in their own homes or in supported, independent-living apartment units. We have done something. Have we done everything that is needed? Certainly not.

Mr. R. F. Johnston: I remind the minister of the figure. The minimum we pay somebody in Ontario who is disabled is \$329 a month. Even if we gave him the maximum, that person would still receive \$150 a month less than the minimum we give a senior citizen. Where does the minister stand on the principle that there should be equity? How quickly will he bring us to equity?

Hon. Mr. Sweeney: If by equitable the member means there are two citizens in our province who have similar needs and receive dissimilar resources, then I agree with him; that should be made more equitable. We will continue to move in that direction in the way I just described to the honourable member.

USE OF LOTTERY FUNDS

Mrs. Marland: The Treasurer has announced that he does not intend to proceed with Bill 38 at this time, perhaps because he is realizing that the cultural and recreational programs should not be forced to enter into competition for lottery funds with other established social programs.

However, I want to suggest to the Treasurer that his position is simply not convincing and does not go far enough, especially for the thousands of cultural and recreational groups across this province who fear that the minister is only postponing his massive revenue grab until the political climate is more favourable.

I ask the minister to alleviate this concern and demonstrate his commitment to these many

thousands of important organizations by withdrawing Bill 38 altogether and assuring this House that section 9 of the Ontario Lottery Corporation Act will be upheld by his government.

Hon. Mr. Nixon: I am sure the honourable member is aware that in the two budget periods during which we have had the responsibility to allocate funds, in both instances we have allocated substantially more dollars than those that came into the Treasury from the allocated lottery money.

I want to answer specifically. In the first year the revenue was \$79 million; we allocated \$111 million. This year we expect \$85 million in revenue and we have allocated \$95 million.

If I were to follow the member's direction and use only the funds that come in from Wintario and Lottario, I would have to reduce the money, and I am sure the member does not want that to occur. Any surplus that has occurred comes from those bad old Tory years, when the government of the day did not allocate the money required by law.

As a matter of fact, Mr. Speaker, if you will permit me, to go back to 1981, the money that came in from the two lotteries was \$137 million; the Tory government allocated only \$74 million. In 1982, \$117 million came in; the Tories allocated only \$89 million. In 1983-84, there was \$117 million again; they allocated only \$96 million. The only time all the money was allocated was in 1985, when the revenue was \$96 million—

Interjections.

Mr. Speaker: Order.

Mr. Rowe: We on this side of the House have listened to Liberal mathematics for the past three or four days while we have been trying to get one simple answer out of the Treasurer. Will he withdraw Bill 38 or not? That is all we want to know.

Hon. Mr. Nixon: The bill is not necessary, since all I have to do is follow the example of the Progressive Conservative government previously. Although the dollars were allocated, the government never spent them. Any surplus that exists is that which is left over from those bad old days. I do not intend to withdraw the bill.

Interjections.

Mr. Speaker: Order. I am sure the constituents of Bellwoods would like all other members to allow the member for Bellwoods (Mr. McClellan) to place his question.

PENSION FUNDS

Mr. McClellan: I too have a question for the Treasurer, who will know that the Ontario Hydro workers' union is being forced to go to court, I think today, to try to prevent Ontario Hydro, which has a \$340-million surplus in its pension fund, according to the government's actuaries, from escaping its \$53-million annual service contribution obligation, in spite of the fact that the employees, of course, have contributed \$37 million this year.

First, is the Treasurer aware that the Ontario Hydro workers who retired 10 years ago have suffered a 90 per cent loss in the purchasing power of their pensions since they retired and that those who retired as recently as five years ago have lost a third of the purchasing power of their pensions? Can he explain to me once again why he would not use the \$343 million in the surplus account to provide inflation protection?

15:10

Hon. Mr. Nixon: The honourable member's question follows up a rather compelling speech he made in the Legislature yesterday afternoon. I did not have a chance to respond to it at that time, and I regret that.

The honourable member also knows the courts have responded quite rapidly in the appeal that the Hydro workers have brought forward, and it may be—I am informed by a usually reliable source—that these hearings are progressing either today or in the very near future.

On the other matter, I have to give the same answer I gave the member before. The statute is under consideration, and we intend to bring forward amendments in the near future, but the Pension Commission of Ontario, which I understand is not always found to be correct in the courts, has ruled that Hydro does not have to make that contribution under those circumstances. Anyway, it is before the courts, and we await with a great deal of interest the decision in this important matter.

Mr. McClellan: It remains incomprehensible that the Treasurer would continue to force workers to go to court to protect their own deferred wages even after the verdict of the Supreme Court on the Conrad Black affair when the regulatory agency, the Pension Commission of Ontario, was described by the court in such unusual judicial language as "misleading," "stonewalling," "blissful ignorance" and "undoubtedly negligent."

Here is yet another court case with another group of workers being ripped off, this time by a

crown agency. How much longer are the workers of this province and we ourselves to endure this kind of stupidity?

Hon. Mr. Nixon: Under the contempt laws of this province, as we understand them, I am not going to comment in any way on the adjectives used by the court other than to say it was very clear in its rulings in that and in another case. However, the member cannot compare this one in all particulars with the one the court has previously ruled upon. The court is currently undertaking to hear the evidence, and we will have the benefit of its ruling in the near future, but I can assure the member that we will not change the law without giving it careful consideration and bringing it to the attention of the Legislature for debate and disposition by this House, which is what we intend to do in the near future.

NUCLEAR WASTE

Mr. Gordon: I have a question for the Minister of Energy. It is clear from recent events in Ontario—with the proposal to have tritium, a substance that can make people glow in the dark, transported on the highways of the province—that the time has come for the minister to see that Ontario Hydro comes out with a very comprehensive plan for the disposal and storage of nuclear waste. That means a long-term plan. When is he going to act?

Hon. Mr. Kerrio: I am sure the honourable member realizes that there is an agreement between the government of Canada and Ontario Hydro, and that there is an undertaking and research going on at Pinawa, Manitoba, for the long-term disposal of nuclear waste. At this point, it is felt that the nuclear waste that is in the swimming pools at the various nuclear stations is quite safe and that the integrity of those systems is unquestionable.

I reassure the member that when we go on this fall with an examination of the safety of Ontario Hydro, in all probability we will take that into account.

Mr. Gordon: I do not accept that answer at all. What we need in this province is a definite commitment from the minister that within 12 months he will bring out a plan for the comprehensive storage and long-term disposal of radioactive waste. That is a number one priority, and it should be brought before an informed public, a group of people who can judge it as such.

At present, we have no guarantees at all, and the minister starts talking about swimming pools.

In the select committee on energy, the Atomic Energy Control Board could not give us an answer on whether, if those pools were to lose water, anybody would be safe anywhere near them.

When is the minister going to act? We want action now.

Hon. Mr. Kerrio: I am certain the honourable member realizes that Atomic Energy of Canada Ltd. and the Atomic Energy Control Board are major players in the safety of the atomic process in Ontario, in which we have had a major undertaking. There is a program under way; there will be safe disposal of waste. The reason it is taking some time is that we are taking more care than other jurisdictions on how to dispose of nuclear waste. I am pretty proud of what goes on in Canada as opposed to other jurisdictions.

ASSISTANCE TO FARMERS

Mr. Hayes: My question is of the Minister of Agriculture and Food. I am sure the minister is aware that Ontario ranks well below the Canadian average for assistance expenditures per farm and per dollar of agricultural output. Given the financial crisis in the farm community of the day, will the ministry increase its overall financial assistance to agricultural producers through supplementary estimates this fall and in a new budget in the spring?

Hon. Mr. Riddell: That question indicates the neglect of the agricultural industry by the previous administration. There is no question that the Agriculture and Food budgets of the previous Tory government declined over the years. We are doing our best to try to compensate for that neglect.

Within the 15 months that I have been minister, we have increased the budget by 39 per cent. We will endeavour to implement new programs to assist our farmers. I think we have done a tremendous job. We have extended the Ontario family farm interest rate reduction program; we have put in \$150 million more than the \$50 million we put in the program last year. A substantial amount will be paid out of the provincial income stabilization program this year.

I think we are doing quite well, considering the kind of thing we inherited from the previous administration.

Mr. Hayes: We realize the previous government did not do a lot of things, but we want to be assured that the minister will not follow suit but will protect the farmers in Ontario.

I realize the OFFIRR program has been expanded and somewhat improved. However, I have to question the recommendation of the interministerial task force on agricultural finance to phase out the program by providing 70 per cent of the benefits for 1987 and 40 per cent of the benefits for 1988. Will the minister assure the House today that he will not accept that recommendation and that he will continue the OFFIRR program with full benefits?

Hon. Mr. Riddell: The honourable member and I do not know what the state of the agricultural industry will be three years from now; so it is difficult to know whether there will still be a need for the OFFIRR program.

The government would rather put in place longer-term programs, and it is working on a national agricultural strategy whereby it can have some kind of stabilization right across the country rather than having provinces implement short-term measures. That was the program of the previous administration for all too long. That administration applied Band-Aids.

This government wants to implement long-term programs; so it is phasing out OFFIRR. In its place, we hope to have much longer-term programs, so that farmers will know exactly what is available for them and can plan their farming careers, not only this year but also five years down the road.

15:20

SALE OF BEER AND WINE

Mr. Andrewes: It must be a quiet day in Brampton.

I have a question for the Minister of Agriculture and Food. It is a similar question to one I asked him 16 months ago, so it is a test. Let us see whether I get the same answer. Last week the Minister of Consumer and Commercial Relations (Mr. Kwinter) tabled legislation in this House that would allow for the sale of beer and wine in grocery stores. The minister knows of the ramifications of the General Agreement on Tariffs and Trade. Does he understand that the obligations of the Ontario government under this agreement will not be met if this proposed legislation is put in place?

Hon. Mr. Riddell: I am sure the Minister of Consumer and Commercial Relations has looked into this matter. I am sure we will not be contravening the GATT agreement with the program we are proposing. However, if we are and if it is made known to us by GATT that we are, we will have to cross that bridge when we come to it.

Mr. Andrewes: Can the minister guarantee that in crossing that bridge he will not attract a single countervailing duty on an agricultural commodity in this province?

Hon. Mr. Riddell: I am not going to stand up and give the member that guarantee. We do not feel we are doing anything that will be counter-actable. We are going to work very hard in the best interests of the wine industry of this province. I like to think we can get the federal government involved to the extent that we cut back on some of the cheaper imported wines brought into this country by giving our own wine industry a chance.

YOUNG OFFENDERS FACILITY

Mr. Morin-Strom: I have a question for the Minister of Correctional Services about the difficulties he is having in establishing an open custody facility or youth community residence, as he calls it, for young offenders in the Sault Ste. Marie area. The minister's efforts through the local resident, Ray Dawson, have now been stopped twice, most recently on Monday night when city council ruled that such a residence does not qualify as a group home under city bylaws. What action is the minister taking to ensure that this service and the jobs that come with it will be established in Sault Ste. Marie?

Hon. Mr. Keyes: We are taking action across the province to provide these types of open custody facilities in a great many centres. We make sure that they conform. We do not intend to try to locate them in any place where they do not conform with zoning bylaws, whether it be in the city of Ottawa, where we are dealing with one this week, or Sault Ste. Marie or Brockville. We do conform. We consult with the people and form community liaison committees. When they are eventually formed, we have had great acceptance by the public as witnessed by the five new homes I have opened in Toronto this year.

Mr. Morin-Strom: I do not think the minister's statement reflects what has happened in Sault Ste. Marie, where there has been tremendous rancour and disagreement about the two locations that have been proposed to date. The lack of involvement of the minister and his ministry in explaining to the community the need for the facility and what the facility is designed to do has resulted in tremendous confusion in Sault Ste. Marie about that facility. Can the minister tell us what he is doing on that specific case and when we are going to see that facility come to Sault Ste. Marie?

Hon. Mr. Keyes: I cannot tell the honourable member exactly when that facility will come to Sault Ste. Marie, but it will be there with the support of the public at the time we find an appropriate residence that is in accordance with the zoning regulations of the city, and one that the local organization that seeks out such a facility finds to be an appropriate location. I am not fully aware of the Monday night situation and what may have happened. I assure the member that it will proceed and that there will be a facility in Sault Ste. Marie in accordance with municipal regulations and our criteria for the establishment of such homes.

Hon. Mr. Riddell: On a point of privilege, Mr. Speaker: I have in my hand an advertisement that was put into the Beamsville Old-Timers' Hockey Association tournament program. It has a picture of the member for Lincoln and it reads: "Phil Andrewes, Ontario Ministry of Agriculture and Food. Good luck, old-timers."

I know very much that the member for Lincoln would like to get my job. I can only say to him, wait 42 years. Then we will see what happens.

Mr. Speaker: That is not a point of privilege. I suppose it is a point of information that some members may be happy to have received.

PETITIONS

BEAR HUNTING

Mr. Wildman: I have a petition signed by 592 residents of Algoma district and Sault Ste. Marie and one resident of Scarborough:

"To the Honourable Lieutenant Governor and the Legislative Assembly of Ontario and, in particular, the Honourable Vincent Kerrio, Minister of Natural Resources:

"We, the undersigned, beg leave to petition the Legislature of Ontario as follows:

"That the use of dogs in the hunting of bear in the province of Ontario be restricted so as not to disturb private land owners and to cause hazard to other game."

Mr. Speaker: There are quite a number of private conversations. It makes it quite difficult to hear. Any further petitions?

TABLING OF INFORMATION

Mr. Gillies: On a point of order, Mr. Speaker: Earlier in the week, in a question to the Premier (Mr. Peterson), I asked about the tabling of computer contracts that we had asked the government House leader for back in the spring session and that were supposed to be tabled on

October 16. Our House leader raised this on a point of order yesterday.

My understanding from the table is that these contracts have still not been filed. In view of the opposition's continuing concern about matters surrounding computer contracts, the IDEA Corp. and the proximity of some of the Premier's advisers to these things, I want to impress on the government House leader our great concern that these be tabled as soon as possible.

Hon. Mr. Nixon: I will respond, Mr. Speaker. I really must apologize to the honourable member for misleading him and the other members of the House. On the day he raised it, there was a very large package of answers. I thought it was included in that, but it was not. The opposition House leader brought that to my attention.

Perhaps the member should know that we hope to table the answer on Thursday and that I am informed by the officials at Management Board that more than 400,000 items and more than 600 companies involved had to be checked out. The final computer run on this checkout has just been completed. There are approximately 200 pages to the answer, and it is calculated by Management Board that the cost of compiling the answer is \$100,000.

Hon. Mr. Sweeney: It cost \$100,000?

Miss Stephenson: For goodness' sake, the members opposite did that every week for years.

Interjections.

Mr. Speaker: Order. A point of order was raised. I guess it was responded to from all sides of the House.

I regret I missed the member for Essex North (Mr. Hayes) on petitions.

INSURANCE RATES

Mr. Hayes: I have a petition here with approximately 750 signatures from Windsor and Essex county, which reads as follows:

"To the Lieutenant Governor and Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas the province of Ontario demands mandatory auto insurance and that the present insurance companies are working in a concerted effort to escalate insurance premiums, we, the undersigned, demand that this government take immediate action to provide the province of Ontario with a government-regulated insurance plan, such as that used in British Columbia and

Manitoba, to provide a fair and equitable insurance premium for all Ontario citizens."

15:30

REPORTS BY COMMITTEES

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill Pr11, An Act respecting the Township of Mara.

Motion agreed to.

MOTIONS

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that the member for Simcoe East (Mr. McLean) and the member for Armourdale (Mr. McCaffrey) exchange places in the order of precedence for private members' public business.

Motion agreed to.

ASSISTANCE TO FARMERS

Mr. Hayes: I would like to move a resolution that in the opinion of this House, recognizing that this year and next year the farmers of this province are facing the worst financial crisis since the Depression and it is now estimated that one third of all farmers with Farm Credit Corp. loans are in jeopardy, and recognizing that traditionally Ontario provides substantially less financial assistance to its farmers than other provinces, the Ontario government should, in supplementary estimates this fall and in the new budget in the spring, increase its overall financial assistance to agricultural producers to at least the average level of the other provinces in Canada.

Mr. Speaker: I should inform the honourable member that when I call for motions, they are for regular routine motions. That appeared to be a private members' resolution. I am sure the member will make himself more familiar with the proper procedure for presenting that.

ORDERS OF THE DAY

RETAIL SALES TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 26, An Act to amend the Retail Sales Tax Act:

Mr. Gillies: Last week when we were last debating Bill 26 members were here in great numbers, partly due to a quorum call at one point, I recall.

Members will recall that we were discussing at that time that feature—

Mr. Haggerty: The member had nothing to offer.

Mr. Gillies: I am sorry, the member for Erie is trying to help me here. I say to the member for Erie that I always draw a big crowd. I remember well when I spoke in the member's riding last year that there were a good number of people there. We will not get into that anyway.

The feature of the bill we were discussing last week is that feature which would see the removal of the sales tax exemption from trucks and trailers manufactured in Ontario.

Without rehashing the ground we covered, this feature of this particular bill causes us great concern because of the effects we feel it could have on the truck and trailer industry in this province, the possible negative effects in terms of the industry's ability to sell its products.

The Deputy Speaker: Order. Will the members of the House please carry on their private conversations outside of the House and not at each others' desks. It is not fair to the member speaking. It is very hard to hear him.

Mr. Gillies: Thank you. I assumed I had the members spellbound at this point, but apparently it had not quite taken effect yet.

Mr. Wildman: The member will have to bind us if he wants us to be part of his spell.

Mr. Gillies: I am not sure, but I think the member for Algoma is suggesting that members will have to be tied to their seats, or something along that line, for this one.

The concerns we have regarding this are very serious. The Ontario Trucking Association has estimated that the effect of this legislation in its first year could be of the magnitude of approximately \$65 million in lost sales for the truck and trailer manufacturing industry in the province.

It has a number of suggestions which I will touch on, but I say to the Treasurer (Mr. Nixon) that I really have to wonder why, at a time when the automotive boom is forecast by many as coming to the end of a cycle, at a time when we are concerned about continuing to fuel what is currently a very strong economy, and at a time when we would want to encourage the manufacturing within our own provincial borders of as many auto and auto-related products as possible, the Treasurer would want to remove this

incentive, to the detriment of our truck and trailer manufacturers in this province.

We are not relying on supposition. As I indicated to the members earlier in the debate, Mack Canada has already announced, in advance of the removal of the sales tax exemption in January, that it will be reducing production at the Oakville plant, from 17 trucks a day currently to 10 trucks a day as of January 1987. We assume there will be job losses and layoffs as a result of that move by the Mack company. We also have to assume, much as we would wish it otherwise, that those companies that supply Mack and are reliant on it for their own economic wellbeing will also suffer adverse affects and loss of business.

The Canadian Truck Trailer Manufacturers' Association estimates there will be a production decline in 1987 of approximately 27 per cent. This causes us grievous concern. We have a concern anyway about what would appear to be the economic trends in the auto and auto-related industries in the coming couple of years. It would be naïve to assume, and we would be the last to assume, that the kind of boom the auto industry has been through in the past couple of years is going to continue ad infinitum. However, we believe there are measures that could be taken and incentives, such as the sales tax exemption, that could be left in place that would help keep that boom going a bit longer than it may without them.

The Canadian truck-trailer manufacturers also estimate that of the 1,200 people employed in the trailer manufacturing industry in Ontario, up to 300 jobs could be adversely affected by this move on the part of the Treasurer. I have to have a concern, because there is a manufacturer of truck-trailers, the Pullman Trailmobile Co. which, while is not located right in the city of Brantford, in my riding—as a matter of fact, it is across the boundary line in Brant-Oxford-Norfolk, the riding of the honourable Treasurer; many of the people employed by that company are constituents of mine and others are constituents of the Treasurer.

We have to be concerned. That company has been through some rather rough times in the past couple of years anyway. It does not employ the number of people today that I recall as its historical high in recent years, about 600 employees. There are considerably fewer than that now. I would not want to see that company further disadvantaged by the loss of this sales tax exemption.

The Ontario Trucking Association, realizing that it has not been able to convince the government to leave the sales tax exemption in place, and perhaps as a halfway step towards this goal, has asked the government for a gradual phasing in of the sales tax to try to ease it in and prevent the shock to the industry that might occur with the sudden one-staged phase-out coming in January. It has suggested that the tax be raised from zero to three per cent in 1987, to five per cent in 1988 and to seven per cent in 1989. It feels this would help avoid many of the potentially negative implications that the one-time removal of the exemption would have.

I urge the Treasurer to look at the suggestion. If he is unwilling to leave the sales tax exemption in place, will he at least look at the suggestion of removing it gradually over a period? It is the feeling of those engaged in this industry that it would help ameliorate the problems they anticipate.

15:40

I understand that perhaps not the Treasurer himself but Treasury officials have indicated a concern about the complexity of such a phase-out and suggested it would not be workable. I commend to the Treasurer the fact that there are precedents for this type of action by the government. I can cite the federal government's precedent for the gradual removal of tax benefit with the phasing out of the exemption of the investment tax credit, which the Treasurer well knows is being phased out over three tax years, from 1987 to 1989. If our friends up in Ottawa can find a mechanism to allow for this, I am sure the Treasurer with his great wisdom and with the tremendous resources and talent available to him at the Ministry of Treasury and Economics can also find a way to do it.

At this point, I will leave my notes for a second to talk, briefly of course, about the ministry. I would like the Treasurer to know the enormous respect I have for the officials and the people who work at the Ministry of Treasury and Economics. I happen to believe and say that ministry has the reputation in our public service of being first-class, and I have to concur. I had the pleasure of being posted up there for five or six months when I was Minister without Portfolio responsible for youth and was attached to the Treasurer.

The efficiency, the grasp of complex issues, the experience and the dedication of the people who work in our Ministry of Treasury and Economics is truly awesome. I suggest they have even been able to survive the undoubted shock and trauma of changing government and the

takeover by this group of inexperienced and untried Liberals—

Mr. Wildman: Usurpers.

Mr. Gillies: —usurped as we were, as the crown was snatched from our very head.

I have not seen any great trauma arising from Treasury and Economics in terms of that very efficient ministry's ability to put policy into effect. In terms of administration, it is a first-class operation. We are concerned on this side of the House about the policy direction they receive, but I am not going to stand here and blame Brock Smith and his army of dedicated followers for the loss of the triple-A credit rating.

Miss Stephenson: Which has not been restored.

Mr. Gillies: Which, my friend the former Treasurer reminds me, has not been restored.

I am not going to blame the officials of the Ministry of Treasury and Economics for the increase in the provincial deficit in the Treasurer's first budget. I am not going to blame the officials of that ministry for the \$700-million tax increase in the fall 1985 budget. I am not going to blame the officials because we all know the responsibility for these failings, the responsibility for the adverse direction of economic policy in this province, lies not with the officials but with their political masters.

Mr. Brandt: Hear, hear.

Mr. Gillies: "Hear, hear," says my friend the member for Sarnia. The member for Brant-Oxford-Norfolk (Mr. Nixon) knows of the enormous respect, lasting over many years, I have for him. I know, or at least sense, that the minister would not have wanted of his own volition to have seen an increase of \$700 million in taxation in 1985. I do not believe the Treasurer, being the hardworking and dedicated person he is, would have wanted to see off his own bat the increase of \$500 million in the deficit or the loss of the triple-A credit rating.

Mr. Brandt: How much is that altogether?

Mr. Gillies: It is astounding. My friend the member for Sarnia asked me how much that is altogether. The tax increases coupled with the increase in the deficit last year come to a total of \$1.2 billion, and we cannot even count into that the many millions of dollars of additional interest paid in servicing the provincial debt that would have accompanied the loss of the triple-A credit rating.

Mr. Brandt: Is there no end to this?

Mr. Gillies: Frankly, I say to my friend the member for Sarnia, and to anyone else who may

be listening, I am stymied by this. If a man of the wisdom and ability of the Treasurer could not have directed that this happen and the very efficient staff of the ministry could not have willingly presided over this catastrophe, then I have to assume the ultimate responsibility stems from he who is responsible ultimately for the policy of the government, none other than the Premier (Mr. Peterson).

The Premier has a much lesser regard for the taxpayers' dollar than does the Treasurer, the member for Algoma (Mr. Wildman) or myself, although the member for Algoma did make a suggestion last year, when I was speaking on a budget bill, that there was a need for a subway from Sault Ste. Marie to Wawa. That, I have to say to the House, would have been fiscally irresponsible and would have cost, by my own very quick calculations, billions of dollars.

I am, of course, speaking directly to Bill 26, as I know you can see, Mr. Speaker.

The next feature of the bill I would like to talk about, although I reserve the right to come back to the question of the truck exemption—

Hon. Mr. Nixon: That sounds like obstruction. What are we going to do about that?

Mr. Gillies: The Treasurer has suggested that my modest intervention in this debate is obstruction. I know this causes alarm and a sudden rush of blood into the heads of most members of the House, because we know what the Treasurer is alluding to. The Treasurer is laying the groundwork for the Liberal strategy for the fall session.

In the context of Bill 26, I suggest the strategy of the Liberal Party in this session, in flagrant denial of the fact that it is sitting here with a minority government in a minority House, is one that more or less says, "If you do not play it our way on every bill and if you do not go along with the way we want everything done in this House, we will have an election."

Hon. Mr. Nixon: Sounds pretty good to me.

Mr. Gillies: The Treasurer voices his approval of this strategy, but I suggest this would be a heinous crime indeed. Just as many considered a previous general election held within the past decade or so to have been unnecessary, similarly I believe any attempt by the Liberal Party to stab its New Democratic Party friends in the back, leave them bleeding in the gutter and go to the people scarcely a year and a half after skulking into office would not be well regarded by the people of Ontario, would be a waste of tax dollars and would be a betrayal of the first order. Let us hope the Liberals do not pursue that particular policy.

Hon. Mr. Riddell: Somebody is up and coming in the member's riding.

Mr. Gillies: The Minister of Agriculture and Food is asking me something, and I cannot quite make it out. That, I might say, is unusual with the Minister of Agriculture and Food. Normally, I can hear every utterance.

Hon. Mr. Riddell: Somebody is showing some potential in the member's riding.

Mr. Gillies: The Minister of Agriculture and Food is asking me whether the Liberals have any potential in my riding. I do not know how familiar the minister is with my riding, but the Liberal vote in Brantford is normally sufficient to guarantee their candidate the return of his deposit. If the minister is asking me whether the Liberals have that potential once again, I suggest they have.

The Deputy Speaker: Meanwhile, back to Bill 26.

Mr. Gillies: Mr. Speaker, I thank you for drawing me back to Bill 26, because there is another feature of this bill that has not received the prominence or the attention that the removal of the truck exemption did but that I believe is very important. It is the removal of the exemption from the amusement tax for nonprofit groups. That one is interesting. I know my colleague the member for Mississauga South (Mrs. Marland), our critic for Culture and Recreation, will be speaking about it at length as the cultural expert she is.

I want to touch on this because, from what I can see in the Treasurer's budget address, nowhere is there any mention of this particular tax move. If I have missed it, I urge the officials of the ministry to draw it to my attention. It is my belief that this feature of Bill 26 has been snuck in with the intention of sliding it by all those theatres and nonprofit groups that will be adversely affected by it.

15:50

Mr. Wildman: A man so cultured should know there is no such word as "snuck."

Mr. Gillies: Is there not? Mr. Speaker, I ask for a reference to the Clerk on this matter. If the past tense of the word "sneak" is "sneaked," then I wish to be corrected. My friend the member for Algoma is a former teacher and I always listen to him very carefully on these matters. I always thought there was a word "snuck," but I may be wrong. If I am wrong on this point, it will not be the first time I have been wrong today or just about any other day.

This amendment proposes to remove the exemption from the amusement tax, which is a 10 per cent tax, given to nonprofit charitable groups for performances that are not amateur or Canadian, Canadian meaning the performances have to have a 90 per cent Canadian performer content.

This will affect not so much our small community theatres as it will places such as the O'Keefe Centre and Roy Thomson Hall in Toronto, Hamilton Place in Hamilton, the Centre in the Square in Kitchener and the National Arts Centre in Ottawa. I have a great concern about it none the less, because we are led to understand by the people who work in this field that many of the shows that are brought in would not fit the exemption, which brings in the cash that allows them to stage Canadian performances.

In other words, if you bring in somebody to the O'Keefe Centre—I see a group of students in the audience; so I will bring up somebody they would relate to, such as Tony Bennett.

Miss Stephenson: Really?

Mr. Gillies: No. Let me change that. Let us suppose the Eurhythmics are going to play at the O'Keefe Centre a week Tuesday; they are not, but let us suppose they are. The considerable money that a sellout performance by a British group of that calibre would bring into the O'Keefe Centre would allow it to be able to stage some Canadian theatre performances or some Canadian ballet or opera, which might not pack the House but which is important to our culture. The money they make to do that is often from those performances by popular international acts, such as—

Mr. Callahan: Why do you not ask BASS to take off the service charge?

Mr. Gillies: My friend the member for Brampton is most concerned that his favourite, Carmen Miranda, may be adversely affected by this—

Mr. Callahan: Does the member have a home? He is showing his age. She is the one with all the fruit on her head.

Mr. Gillies: I know my friend the member for Brampton is awfully concerned that Carmen Miranda or the next Marx Brothers film festival he would like to attend, in which he has a bit part as a walk-on, may not get the exemption. Right after Harpo goes by chasing the girl with his car horn, there is the member for Brampton with a question to the minister about it.

Seriously, I know my friend the member from Brampton is as concerned as I am about this

feature of the bill. While I do not propose to speak about it at length, because that will be the role of my very knowledgeable friend the member for Mississauga South, I suggest to the Treasurer that the concern voiced by such places as the O'Keefe Centre is legitimate. If he puts the blocks to some of the big money draws in these big theatres, it is going to have a direct and detrimental effect on many of our cultural enterprises that benefit from the dollars gained.

It is not a huge deal. It is not the sort of thing on which a government is going to rise or fall. However, I ask the Treasurer whether he might take another look at this one and perhaps listen. With all the attributes I mentioned earlier and all the great resources available in Treasury, there may be a way to amend his bill to accomplish the aim, about which I have voiced a concern. If there is a way to do that, will the Treasurer please bring an amendment forward and, very seriously, we will be pleased to look at it.

Bill 26 has a number of features we are concerned about, and I would say, as I said last week, that one is the change in the food exemption. We can have a bit of fun with it. It is not a huge deal, although it is a broken election promise.

In my opinion, the change in the sales tax on the trucking industry is by far the most serious and negative feature of the bill and will have a tremendously adverse effect on our truck and trailer manufacturing industry. We are also concerned about the amusement tax on the nonprofit groups.

I look forward to the remarks from my colleagues on these features of the bill. I commend my remarks to the Treasurer, and I hope he will look at them perhaps in a mood of sober reflection to see whether there is anything worthy of his attention.

Mr. Wildman: I will speak briefly on this bill and indicate that while I am not in opposition to the changes that are proposed in regard to the removal of the exemption of the sales tax on trucks, in general the Treasurer will be aware that this party is not enthusiastic about tax by sales tax on any kind of product, because in our view it is not the kind of progressive taxation we should be emphasizing as a means of gaining revenue for the provincial government.

I must say that when this exemption was brought in, I did have some difficulty with being able to square the fact that we were exempting tractor-trailers from the sales tax when we still charge sales tax on school buses. It did not seem to me to make a lot of sense that we should be

exempting trucks that transport goods around our province but not exempting buses that transport students around the province. It seemed there was some real contradiction in that approach. It seemed to me, and it still seems to me, that we should consider very carefully an exemption on school buses.

I understand the reason for the exemption on trucks: the need to assist the industry in a time when it is in the serious recession. For that reason, and because of our concern about sales tax in general, we were in support.

The argument has been made that the industry has made a comeback, that sales of trucks and tractor-trailers are booming and therefore the industry is not in need of this kind of assistance. I point out, though, that in my part of the province, as in many other parts of the province, there are small independent truckers, whether they are loggers or small brokers, who find it a bit difficult to purchase this equipment. We are talking about very expensive equipment. I dare say the average price of a tractor-trailer is in the neighbourhood of \$100,000 or more, and that means the independent trucker probably has to mortgage his house to be able to purchase a new truck. To add the sales tax to that price is to cause some hardship for the small independent trucker.

I understand that right now there is a real rush on orders for trucks, with people trying to get in before the deadline, before the end of the exemption. I have some sympathy with the suggestion that has been made by the Ontario Trucking Association that the reintroduction of this sales tax, if it is to be done, should be phased in over two or three years. I do not think that is an unreasonable request on the part of the OTA, and I join with my friend the member for Brantford (Mr. Gillies) in his suggestion that the member for Brant-Oxford-Norfolk has the ingenuity that might make it possible for him to incorporate that request in the reintroduction of this tax.

16:00

It is important to recognize that while the industry may be booming and there may be a comeback, particularly in southern Ontario, industry of all sorts is not booming in northern Ontario. When we have raised the concerns of the north in this assembly in the past, we have have been accused of spreading gloom and doom. This is not gloom and doom, but it is a fact that our industries in northern Ontario, whether they be mining, forestry or transportation, are under serious threat. We have not recovered from the recession the same way that industries in southern Ontario have recovered. There still is a

need to provide economic stimulus in northern Ontario to assist us to come out of the recession.

Instead of recovering, the situation in the north has worsened. We have double the unemployment rate and we have many mines that are shutting down and laying off workers. The only bright spot in the mining industry is at Hemlo.

Because of the countervail that has been proposed in the United States, we are now threatened with further layoffs in the lumber industry, the only industry that was a bright spot. It was expanding because of the exchange rates and the ability of Canadian producers to compete. The lumber industry is a very efficient operation in the north. We are able to produce at a much lower price than the Americans and, because of that, we are being hit hard.

Obviously, if the countervail stands, it will hurt the transportation industry substantially in my part of the province. Seventy per cent of the product of the sawmills in northern Ontario goes into the US market. In my area, about 85 per cent to 90 per cent of the products of some mills, such as the Dubreuil mill at Dubreuilville, goes to the Midwest. The vast majority of that product is trucked into the United States; most of it is not sent by rail. I am concerned that reimposition of the sales tax on the sale of trucks all at once will hurt the truckers, who are now working night and day to make a living and to make the payments on their trucks.

I urge the Treasurer to consider the proposal very carefully. I indicate again that we will not be opposing this measure, but if there is a way of easing the blow so that it does not happen all at once, the government should look at it very carefully.

Mrs. Marland: In speaking to Bill 26, which is a bill providing amendments to the Retail Sales Tax Act, I would like to say, as many of my colleagues have already pointed out, that contained within this bill are many hastily conceived changes that have serious consequences to many groups within our province.

The fact that this document does not honour the Liberal government's election promise to raise the prepared food tax exemption to \$4 has already been addressed by others. I simply mention it to highlight that it as another unkept Liberal promise.

The impact this document will have on our trucking industry has been mentioned today, especially by my colleagues representing constituencies where the health of the automotive industry is always a major concern. The member for Oakville (Mr. O'Connor) is sitting in the

Legislature, and I am sure he will address that very capably at his time of speaking.

I want to spend some time on the alarming indifference this government has shown to our arts community, particularly by slipping in an amendment to the Retail Sales Tax Act that will have serious consequences to the viability of our theatres and serious ramifications to the success of our performing arts community. It slipped in an amendment without even consulting this industry, which will bear the impact.

In reading through the budget document provided in this House on May 13, 1986—this is simply a highlight résumé of that document; I have studied this and the complete budget—I cannot find any reference to an amendment that would eliminate the 10 per cent sales tax exemption that publicly funded and nonprofit theatres currently enjoy. There is no mention at all. I emphasize that, because I find what has happened somewhat underhanded.

I say “enjoy” because this 10 per cent exemption gives these theatres a certain comfort zone that up until now has allowed them to provide solid entertainment to regional audiences where theatres with large seating capacities are simply not available. Those regional audiences should bear the same consideration as any other. More important, this 10 per cent sales tax exemption allows the theatre to use this advantage to subsidize local Canadian performing artists so they might attain the same box-office success at some time.

This House, every theatregoer and, for that matter, every Ontarian should know that this so-called open-door government made no attempt to discuss this matter with the theatre management or anyone else before introducing this bill. It was only when the auditors of the O’Keefe Centre discovered this proposal and consulted with the management that there was any attempt to discuss this with the theatres. Even then, that discussion was initiated by the O’Keefe Centre itself.

Further, when the arts community got together and finally had an opportunity to meet with the ministry, very little was changed. Despite the serious concerns the industry has raised and the very legitimate difficulties this change will create, no effort has been made to delay the passage of this legislation. I have learned that the Treasurer has only this past week responded to those concerns and, almost unbelievably, has told theatres that he will be going ahead with the amendment and that he will look at the effect after it is implemented. What a pleasure it would

be if we could have a proactive rather than a reactive government.

I have not found a figure that would indicate just how much additional revenue this proposed change would add to the government coffers, but the Treasurer has indicated this is purely a housekeeping bill. It is simply designed to close a loophole and is not intended to be a revenue grab, and understandably so, because at budget time the Treasurer had the privilege of taking credit for a dramatic increase in revenue and certainly could not have been motivated by that need.

16:10

When the government coffers are full and there is no serious inequity or injustice to address, why would the Treasurer go ahead and introduce this amendment through the back door without consultation and with very little thought to the devastating effect it will have on the performing arts industries? How can the Treasurer in one breath boast about his \$10-million investment in the arts package in the budget and then in his next breath introduce this amendment? Let us not forget that in his third breath he took away guaranteed lottery money from the arts community. One must wonder about the extent of this Liberal government’s commitment to cultural industries in Ontario or, indeed, whether there is any commitment.

This amendment is hasty and unnecessary. It demonstrates a serious misunderstanding of the benefits of the 10 per cent sales tax exemption and of the actual workings of the theatre industry in Ontario. The effects of this legislation will be numerous and onerous.

The theatres are worried that the proposed change will seriously affect their financial position. Either they will have to absorb the extra 10 per cent for those performances that do not qualify for the exemption or they will simply have to cut back on their programs. For many theatres, profits from American and other foreign shows do help the subsidization, as I mentioned earlier, of Canadian and amateur performances.

For example, the National Arts Centre in Ottawa used \$77,000 from profits made from foreign shows to subsidize Canadian acts. Roy Thomson Hall and Massey Hall do not receive funding from any level of government. The removal of the exemption will create numerous problems for them. Foreign productions already operate on very thin profit margins. An increase in the tax will make it impossible to make any money. Thus, the theatres will have to cut back on the number of performances they stage. Roy Thomson Hall and Massey Hall do not want to be

put in the position of being forced to ask the government for assistance in order to continue to operate. There is a question about whether there are any funds available at this time of government restraint.

The Centre in the Square theatre in Kitchener estimates that the removal of the exemption will directly affect 70 per cent of its productions. Foreign performances will have to be cut back. Because of the removal of the exemption and because profits from foreign shows were used to subsidize local productions, it will be necessary that local productions be cut back as well.

The money involved is quite substantial. To take 1985 as an example, the O'Keefe Centre here in Toronto would have had to come up with more than \$950,000 to cover the amusement tax on non-Canadian performances. I am glad the Treasurer is in the House to contemplate what the O'Keefe Centre will have to do to balance its budget when it has to pay an additional \$950,000. The figure for 1985 at Hamilton Place would have been \$265,000; at Roy Thomson Hall and Massey Hall, \$300,000; and at the National Arts Centre, \$240,000.

The government is arguing that the exemption is not fair because other theatres which are run on a profit basis do not qualify for it and must pay the tax, and they compete for many of the same shows. However, under the proposed changes, Ontario Place will continue to qualify for the exemption because it is funded by the provincial government. This is not fair to the O'Keefe Centre or Roy Thomson Hall, which compete for many of the same acts, or for any other regional municipally funded or nonprofit organization.

The Ministry of Revenue has stated that one of the reasons it is removing this exemption is so that commercial operators will no longer benefit from the exemption when they enter into co-sponsorships with theatres and other groups. However, the theatres argue that they should not be penalized because the government wants to remove the exemption for the commercial operators.

This is another example of the government attacking the arts community; and, my goodness, we have a lot of those examples. It has already been hurt by the announcement that lottery funding will be cut back. This proposed change will affect some of the same groups even more.

There are many other costs that theatres will have to incur if the proposed changes become law. Theatre subscriptions, tickets, budgets and promotional materials have already been sold, drawn up and produced. These commitments

have already been made. The removal of the exemption will force many changes. Prices will have to be adjusted upwards and budgets amended to take into account the additional 10 per cent burden of the amusement tax.

There are several amendments the theatres are willing to accept which would be easier for them while accomplishing some of the government's stated goals. The government has an obligation to sit down and discuss these with these impacted groups and then to understand the problems, not to go ahead with the amendment and then assess the effect, as the Treasurer has proposed. Those discussions must take place now, not at some time in the future.

If this government of Ontario is sincerely committed to culture and to the arts, why can it not demonstrate that commitment by sitting down before the fact, rather than waiting to see how many people are hurt and whether it is too many or too few? I suppose if it is a few, it will not be concerned; if it is a large number, perhaps it may be. That is not the operation of a responsible government. Therefore, as far as I am concerned, it is a further demonstration that this government simply is not responsible.

This bill must not pass in its present wording. Above all else, it must go to committee for debate and input from the public, that very same public that will bear the brunt and the damage in the long term of a change in the cultural and arts communities.

16:20

The Acting Speaker (Mr. D. R. Cooke): Are there any questions of the member?

Hon. Mr. Nixon: Is it questions or comments?

The Acting Speaker: Both.

Hon. Mr. Nixon: Both; right. I just want to answer a question that the honourable member put rhetorically. The changes are designed to be revenue-neutral, based on the intent of the original amusement tax. The point the member made quite well, I think, was that when performers such as Harry Belafonte and Michael Jackson and shows such as the Ice Capades come to town, it does not make any sense that their performances should be tax-exempt. I do not know what the tickets would cost, probably \$20 for not the best seat, and the place is jammed and people cannot get tickets to it. There is not going to be any loss of revenue when the tax is applied.

If Michael Jackson had performed in Maple Leaf Gardens, we would have collected \$500,000 in tax revenue, but he very properly

and sensibly chose to perform at Exhibition Stadium, which is exempt under the statute we inherited. We are not looking for a revenue grab. We are not penalizing the arts community; far from it, we are increasing our grants and support to the arts community. We want to establish a rational and fair approach to the payment of entertainment tax.

I know the matter is going to be discussed further, and I am looking forward to having an opportunity to defend the government's position in this matter because while I have the highest regard for the member who just spoke, her allegations about motivation in this are very difficult for me to accept. We want to support the arts community, and only by having a fair and equitable tax system can we support it through the administration of the ministry that my friend the Minister of Citizenship and Culture (Ms. Munro) administers. Our intentions are good, and we hope the people affected will understand that.

Mrs. Marland: Am I able to respond, Mr. Speaker?

Mr. Speaker: Up to two minutes.

Mrs. Marland: It is tremendously interesting to hear the Treasurer of Ontario describe this amendment as being revenue-neutral. I would like to see him sit down with the auditors of the O'Keefe Centre and try to defend what revenue-neutral means to them or to any other group that is impacted by this amendment.

I understand completely what happens when the large shows come to this area or to Ottawa; I already addressed that in my speech. The most relevant thing the Treasurer has just said is that he is looking forward to discussing this matter. It is regrettable he is looking forward to discussing it rather than having already discussed it before he slipped in this amendment. That is the part that is a pure sham.

It is an insult to the people in these industries in the performing arts in this province that the Treasurer says he is looking forward to discussing it when he has had ample opportunity to discuss it before sliding in an amendment that was not even in his original budget speech.

Mr. Partington: I am pleased to speak on Bill 26, An Act to amend the Retail Sales Tax Act. First, I would like to speak about something not mentioned in the bill, although it is part of the retail sales tax of the province, and that is a concern expressed to me by many of my constituents in Brock about the exemption for children's footwear which is currently provided

under section 5 and the fact that the exemption should be increased to at least \$40.

I understand that any pair of shoes priced at more than \$30 is taxed at seven per cent and that 85 per cent of all children's leather shoes, including baby boots, are more than \$30 in value. Of course, it has been pointed out to me by Al Scotland of Kiddie Kobbler that at a young age boots are replaced every three months.

Children's clothing is tax-exempt up to size 14, which is approximately 12 years of age for children. It is time the government updated its records and its approach by providing a tax exemption of at least \$40 on the sale of children's shoes. Perhaps a more realistic figure can be arrived at in consultation with some of the shoe retailers of the province.

This problem has been ongoing for some time, and it is important that the minister address it as soon as he can. In so doing, he will help the family unit, particularly the larger family unit, including young children. I think that is important these days.

Also, it has been pointed out to me by John Morrison, one of the principals of Boot Shop Ltd. in St. Catharines, that such a move on the part of the government would also help the domestic shoe manufacturing industry, because it is the shoes produced by that industry that are being taxed. Most of the cheaper shoes, the ones selling for less than \$30, are produced in offshore countries; so the government is unwittingly assisting in the transfer of activity and jobs in that manufacturing sector from Ontario to offshore countries.

I urge the Treasurer to assist the shoe manufacturing industry, to assist workers who have jobs in that industry as well as the family unit, which clearly needs assistance in this area, by increasing the exemption, as he has the ability to do under subsection 5(25) of the Retail Sales Tax Act.

I was just pointing this out as an omission as far as this bill is concerned. This could have been addressed quite properly in conjunction with the presentation of these amendments; otherwise, there is no forum to speak on this very important issue.

Section 9 of Bill 26 clarifies the meaning of subsection 16a(4) of the current Retail Sales Tax Act, which indicates a responsibility for paying a tax as it is assessed. The bill before us adds to the end of that paragraph the words "whether or not an objection to, or an appeal from, the assessment is outstanding."

Basically, the prior section was somewhat ambiguous. An individual who wanted to complain against the amount of an assessment, or whether in fact an assessment was in order, had a right to appeal under the act, but it has been a position of the ministry that to legitimize the appeal, the assessment had to be paid in advance. The wording was not clear on that; so the government has introduced this amendment to make it clear. The clear message is, "If you want to appeal, before we decide whether you have to pay, you have to put up the money in full in advance."

At the risk of simplifying, it is like being charged with a provincial offence or a crime. The tradition, the principle of our law, is that one is innocent until proven guilty. In this case, the onus is reversed: one is guilty until proven innocent. One has at least to come up with the money.

Mr. D. R. Cooke: Which has always been the basis of our tax law.

Mr. O'Connor: The Tories in Ottawa changed it. One does not pay the tax any more.

16:30

Mr. Partington: I understand that was a major issue in this country with respect to the Income Tax Act. A government sensitive to the needs of the individual and concerned about this powerful state of ours—federal and provincial—putting its heavy hand on the individual, be it corporate or individual, reversed itself and said: "Yes, that is right. You do not have to pay the tax until a tribunal determines that you have to, provided you go through the process normally."

Therefore, I say section 9 is an attack on the fairness of our system. Certainly we should all pay our taxes, we should pay our fair share and we should pay them when due; but when somebody wants to challenge the right of the state to impose a tax, all or in any amount, then that person, provided he follows the necessary procedures, should not have to pay the amount in advance.

I refer further to section 11 of Bill 26. It provides the minister with improved mechanisms for the collection of a tax that has not been remitted after it has been assessed or if, after appeal, it is found that the money is owing. It gives the government the authority to demand payment from an institution or individual suspected of being about to lend money to the debtor to cover all unpaid taxes and penalties.

This is an unfair step that is being introduced by the government. It will give the government of Ontario privileges over and above those

afforded to other creditors in our society and thus a competitive advantage over ordinary creditors in the private sector.

More than that, it interferes with the rights of citizens of Ontario to do business in an honest and orderly manner. The government should always presume that the public is to be trusted and that it is carrying on its business affairs in a manner we can all support. Not only is this a principle we can support; it is also a principle the people of Ontario adhere to in all cases.

As an example, if a general contractor owes the government \$10,000 in sales tax and the contractor is installing a parking lot for a business, the government writes a letter to the business and says: "Do not pay Jones Paving \$10,000. Pay it to us." The paving company stops paying. In effect, we have a government mechanism that can be totally insensitive to the rights of the two parties. It can say, "Pay it all to us, or do not carry on your business."

This section should be deleted. If the government wishes to obtain rights of levy against third parties, it should go through a formal court process so the parties can clearly put before an independent tribunal the equities of the situation: whether payment should be made in full at the time, whether it should be spread out over a period of time or what can be done to allow people in our society to continue to do business and at the same time honour the law of Ontario.

Thus, in my submission, both section 9 and section 11 should be deleted from this act. As I indicated before regarding section 9, no one should be compelled to pay money before it is properly due.

My friend the member for Oakville will speak with respect to the reimposition of the retail sales tax on trucking. All I would like to say on this is that trucks and tractor-trailers are expensive items. The reimposition of the seven per cent tax in one fell swoop will impair the economy generally. It seems to me that if this tax is to be introduced, it should be introduced in stages, as the Ontario Trucking Association has called for. With the gradual introduction of this tax again over a reasonably short period, there will be less difficulty caused and the same end result will be obtained.

Mr. O'Connor: I also welcome this opportunity to provide some comments with respect to Bill 26, An Act to amend the Retail Sales Tax Act. I wish to bring to the attention of the House and the Treasurer some concerns that I and my constituents have with respect to several of the proposals set out in this bill.

In a general way, it is curious that the Treasurer and the government would see fit to bring this bill forward at this time. It should be noted, as it has been in previous comments this afternoon, that in its budget, the government has chosen to increase taxes this year by about \$700 million, and it has chosen to increase the deficit—which it should be noted declined in the two years under the previous Progressive Conservative government—by about \$500 million.

In addition to those two factors, we have learned that the government is about to have the benefit of a windfall, shall we say, in taxes over and above the amounts projected by the Treasurer in the early part of this year. As yet, the amount is unascertained, but as a result of the current booming economy in Ontario, the government will fall heir to increased personal income taxes, increased corporation taxes and, of course, increased retail sales taxes.

As I say, the amount has not been ascertained, but the combination of the factors I have mentioned makes it curious that the minister would choose this time to significantly increase sales taxes in some areas which I hope to demonstrate to him will cause significant harm to particular industries and to former nonpayers, shall we say, of that tax.

The first area I would like to discuss briefly is that of the proposal to reimpose the retail sales tax on large trucks. We are dealing here with rather significant vehicles, huge tractor-trailers that range in price from some \$65,000 to more than \$100,000 per unit. By quick calculation, the tax intended to be imposed is a significant factor in the purchase price of one of those units; at the upper end, it is about \$7,000 or \$8,000.

I am fortunate to have in my riding of Oakville one of the major truck manufacturers in North America. Mack Canada has an assembly plant in Oakville, which I understand currently produces approximately 14 tractor units a day. As I indicated, if the price is in the \$65,000 to \$100,000 range, one can quite readily see the value in additional sales tax they would be required to pay should it be imposed as proposed on January 1.

Because of the increased demand for trucks in the latter quarter of this year—an increased demand brought about by the knowledge in the industry that the tax is going on January 1—Mack proposes to increase its production to approximately 17 units per day until January 1. In anticipation of this increase, I am also advised that it has recently hired and taken on an additional complement of 126 men, but it has

advised these men that on December 23, 1986, about 120 of them will be laid off because of the anticipated decrease in demand for trucks, starting January 1, 1987. Their projection for daily production on January 1 and thereafter is 10 trucks. That is a decrease from 17 to 10. One can readily see the necessity, therefore, to lay off something in the neighbourhood of 120 workers.

16:40

We should keep in mind too that for every job and dollar lost to a significant manufacturer such as Mack trucks, there is a ripple effect in jobs, production and dollars lost among its suppliers of various goods and services. I would have hoped the Treasurer, prior to introducing this particular section, would have done the necessary calculations and cost analyses on the effect of the reimposition of this tax.

The tax was eliminated from these units by our government some years ago with a view to spurring sales in what was then a flagging industry in southern Ontario. The effect was exactly as required and as desired: to spur the industry. Except for some dips along the way, it has done well since then. Therefore, I would have hoped the government would have tried to assess the job-loss costs, that is, the lost revenue by way of income taxes and sales taxes on products not purchased by those men who have to be laid off as a result of the effect on the industry.

I am talking about one industry in one area. We have to multiply the figure of 126 jobs at Oakville by probably similar numbers in other truck plants and industries that feed the assembly plants around the province. Those men will be on unemployment insurance; they will have less revenue to spend. Therefore, less retail sales tax will be collected as they forgo purchases they would have otherwise made. The whole of Ontario will lose some revenue as a result of the reimposition of this tax.

As I said, I would have hoped the Treasurer would have done the cost analyses to determine the revenue gained, and we wonder how great those revenues will be, given the fact that the number of sales will drop off significantly. At any event, the dropoff appears to be in the neighbourhood of 30 per cent or 40 per cent at the Mack truck plant in Oakville. That is from 17 units to 10 units a day. Taking that into the equation, we wonder whether this is a revenue-producing move on behalf of the Treasurer. I ask him, some time in the near future, to provide us with the actual figures to demonstrate that what he is doing is, in fact, a benefit to the Treasury.

If the Treasurer is determined to proceed with this measure in any event, the really sensible thing to have done would have been that which has been urged upon him by the Ontario Trucking Association, Mack trucks, the Canadian Auto Workers union in Oakville on behalf of Mack trucks and, I am sure, many other proponents who are considerably upset about the reimposition of this tax; that is, why not bring it back in stages?

Why not bring it in over the course of three years, as has been proposed by the OTA: two per cent this year, two per cent next year and three per cent in the final year. The impact would then be lessened throughout that period and would be much more easily absorbed by the industry. There is ample precedent for the imposition of tax and the deletion or taking away of tax over staged periods at both this level and the federal level. I am sure the Treasurer is well aware of that approach. It could easily be managed by his ministry.

The other area on which I wish to make a few remarks is that of the amusement tax, the intention to reimpose the 10 per cent tax on amusement. We have heard from previous speakers of the potential effect of the reimposition of that tax on theatres and larger entertainment events. Included in that proposal is the deletion of a section that previously exempted amateur athletic associations and sporting events. Again, there is an example in my riding that I think is of particular significance. I can give figures the Treasurer may not be aware of and may not have taken into account.

In Oakville, we are particularly fortunate to have been chosen as the permanent home of one of the premier, and to use an overworked word recently introduced into the lexicon of this House by the government, world-class sporting events in the nature of the Canadian Open Golf Championship, which is played annually at the Glen Abbey Golf Club in Oakville. It is a showcase to the world of Canada's ability to stage an event that attracts participants from around the world and attracts interest throughout North America and perhaps around the world. It is televised widely not only in Canada but also around the world.

Hon. Mr. Nixon: They are professionals.

Mr. O'Connor: They are professional golfers, as the Treasurer has well pointed out. However, this event is organized and run by the Royal Canadian Golf Association, an amateur organization. I point out to the Treasurer, as he will well know, that this is not just a golf

tournament but also a major sporting event that attracts tourism to the southern Ontario area, in particular to the Oakville area. It provides part-time jobs to a vast array, to virtually an army of people on an annual basis, particularly in the Oakville area. It is a revenue producer for a number of people in that area, hotels, restaurants and that sort of thing.

Hon. Mr. Nixon: What does it cost to get in?

Mr. O'Connor: The average cost of a ticket is between \$15 and \$25. Perhaps the Treasurer does not quite understand that the revenues from that event are used not only to run the tournament and to go into the pockets of professional golfers, which I am sure he will be quick to say, but they are also the major source of revenue for the Royal Canadian Golf Association, which in turn sponsors amateur and junior golf events across Canada. There are clinics and tournaments right across this country.

The funds are used for research purposes. They are given to Canadian universities that are doing research into development of grasses for golf courses and that type of thing. The funds are used for the supplying of consultation concerning the care and maintenance of golf courses, both public and private. The funding is not something that goes only to professionals. It is an amateur organization that spends a good segment of its funds on and is the primary source of funding for amateur golf in Canada. I put it on that basis.

To come down to specific cases, ticket sales and other admissions in 1984 were \$1,234,000 from the Canadian Open. In 1985, they were \$1,497,000. The 1986 figures are not yet audited and available, but we can assume they are again several hundred thousand dollars higher than they were in 1985. A quick mathematical calculation indicates that the 10 per cent the government now proposes to take from the RCGA annually over the past three years would have been \$125,000 in 1984, \$150,000 in 1985 and probably would be \$160,000 or \$170,000 for 1986. This is \$125,000, \$150,000 and \$170,000 that would otherwise be used for the benefit of amateur golf promotion across this country and for the other worthwhile projects sponsored annually by the Royal Canadian Golf Association.

I ask the Treasurer, as I did with respect to the truck issue, has he done the cost analyses to determine that the \$125,000 or \$150,000 more by which his Treasury will benefit is more or less than the cost of the imposition of this particular tax on tourism in the area, on ticket sales to those who would otherwise attend the Canadian Open,

on the increase in research grants that the government will now have to make to universities for the purposes that were previously funded by the Royal Canadian Golf Association through these funds?

16:50

The \$150,000 that the government will gain is a small drop in the bucket in terms of the \$30-billion budget that this government administers annually. However, that \$150,000 is a significant portion of the funding that amateur golf receives annually, which it will not hereafter receive if the government chooses to appropriate those funds unto itself.

My friend, I am sure, is going to argue that there will be no effect whatsoever on the number of people who will attend the Canadian Open next year; that this 10 per cent can easily be passed through to the customers, who will be glad to pay it; that they are already paying \$20 or \$22 and they will pay another 10 per cent.

That is just not so. The RCGA has done quite exhaustive studies to determine ticket level preferences, the levels at which certain numbers of people will attend, and it has been able to determine that a few bucks will inhibit several thousand people. It can come up with these numbers to show us that there is a real effect. As they said to me, "If we could increase the ticket prices, we would." If it could be shown that the ticket prices could be increased without an effect on the numbers of people who come to the tournament, they certainly would do so. Sure, they would. Why not? Anybody in those circumstances would, but they found that they simply could not do it.

Thus, the imposition of the 10 per cent tax cannot be passed on to the customers. They will draw as many customers next year as they have this year and in previous years, and perhaps a few more because the event is increasing in popularity. However, the revenues, as I have indicated, in the amounts I have indicated, will simply not be available for the otherwise good purposes the RCGA supports across this country. This should be taken into account by the Treasurer if he intends to go ahead with this particular section.

That is just an example. It is an example I use because it happens to be very close to my heart; it is in my riding and it is an event I support and attend every year. However, similarly, there are sporting events, amateur athletic events across this province that are going to be in the same kind of dilemma, many of them on a much lower fee than is paid by those people who attend the Canadian Open. Either they are going to have to

absorb the 10 per cent, as the admissions in the Canadian Open will require the RCGA to do, or they are going to have to pass it on to their customers, in which case they will simply suffer by way of fewer customers coming through their turnstiles.

I hope that either the government has done the studies to ascertain the real effect on these or, alternatively, the government will be prepared to make up the losses to these amateur athletic organizations by way of additional grants, by way of additional funding for them to carry on their programs, particularly among younger, junior kids involved in sports across this province.

Those generally are my remarks. The Treasurer was out of the chamber during some of my remarks with regard to the truck tax issue, when I asked whether he had prepared the cost analyses, losses versus increase in revenues, and similarly with regard to the amusement tax on amateur athletics. I wonder whether in his summary remarks he might advise us whether those studies are available and would be prepared at some time in the near future to table them for the benefit of everybody in this House.

Hon. Mr. Nixon: I will be speaking more generally towards the end of the debate, but I did want to respond to the honourable member's comments about the Canadian Open professional golf tournament. I have attended that myself. A near relative of mine has been very much involved, even as president of that organization. I may be hearing from him in similar terms in the near future.

However, the honourable member will know that this is a group of professionals that goes all around the world. We are delighted to have them here competing for our Canadian professional championship, and the prizes are substantial.

It gets down to the point of whether the Royal Canadian Golf Association is a charitable organization or not. It may be that some of the officials and members would not like to be so designated, because as a charitable organization, as the sponsor, they may claim exemption. I understand this matter is under review.

Interjection

Hon. Mr. Nixon: A formal request on the subject is being handled by the retail sales branch, dealing directly with the association to determine its charitable status. When one sees the resources of the association and the people with whom it contracts and acts, there may be some question of whether it is a charitable organization.

I am impressed with the reference to moneys used to assist amateurs and others in this regard. Amateurs are exempt, and although frankly I would not be enthusiastic about it myself, it may very well be that that tournament will be exempt. It is possible. It is being reviewed.

Mr. Philip: I want to comment briefly to the minister.

Mr. Speaker: Order. This is the time to comment on the comments by the member for Oakville. There being none, he has up to two minutes to respond.

Mr. O'Connor: I would like to point out to the Treasurer that he should differentiate between the professional golfers who play in that tournament and the Royal Canadian Golf Association. On the one hand, the golfers are professionals and earn substantial income from the golf tournaments they win and participate in. On the other hand, the RCGA is and has been—I was not aware that its status was being reviewed, though the Treasurer will know more of that because it is his ministry that would be doing so.

Hon. Mr. Nixon: I was just informed. I did not know either, but in response to my query, they indicated it was being reviewed.

Mr. O'Connor: As I understand it, it has always been accepted as a charitable organization in that it has been involved in the organization of amateur and junior golf since the turn of the century in this country and has been the prime supporter of that movement. As such, I hope that if it is under review, the Treasurer will see fit to maintain that status on its behalf, he being the ultimate authority, the ultimate person to decide whether its status should change or not, and see that the good work it does with respect to amateur and junior golf in this country can continue by allowing it to continue in the same capacity as it has had in the past.

Mr. Philip: I apologize to the member for Oakville. I thought he had finished his remarks. I did not intend to cut him off or step in front of him.

The Treasurer has been fairly responsive in letters I have written to him concerning problems that certain small businessmen in my riding have had vis-à-vis his officials. I appreciate that.

At the same time, some small businessmen have experienced considerable problems when, through a lack of knowledge or perhaps a lack of information, or in some cases where the wrong information has been given in telephone conversations with his officials, sales tax may not have

been collected appropriately and suddenly a large bill arrives on the doorstep of the individual.

I think of the case of a company that was dealing with industrial and domestic air-conditioning and heating equipment. Part of the products was taxable and the other part was not. After receiving the wrong information by telephone, the individual did not charge tax on all of it and subsequently ended up having to repay large amounts of money.

In instances such as that, some sensitivity and some time have to be given to the individual, based on his financial circumstances to repay, and some consideration has to be given to the fact that the fault or the misunderstanding may occur not only with the small businessman but also with whatever official has been informing these people.

It is often difficult in small businesses to keep up with all the latest changes and regulations, particularly in the case of many of the small businessmen in my riding, where English is a second language. It is compounded through telephone conversations and so forth. I hope some of the major atrocities I have seen by certain federal tax officials will not be repeated by our provincial counterparts.

17:00

I appreciate that in instances where I thought there was some reasonable cause for doubt or further need for appeal, delay or a second look, this minister has responded and has called off his officials at least for a certain period until a second, sober look could be given. I hope he will continue to have that kind of attitude.

In dealing with the small businessman who is under considerable pressure, I hope some sensitivity can be given to his local economic conditions and peculiar situation. Nobody wants to allow someone to defraud the government, but there is a difference between a deliberate attempt to skim off some money and a legitimate misunderstanding of some fairly complicated regulations and rules that are frequently changing.

I do appreciate some of the efforts the minister has taken when I have written to him, but I hope that educational process down the ladder will continue and that we will not see some people forced into the type of situation we have seen in the past, where the tax collector goes to the customers and then the customers drop off, forcing the businessman into receivership. In that case, neither the tax collector nor anyone else gets anything out of the whole deal.

Hon. Mr. Nixon: That would be income tax.

Mr. Philip: Yes. The feds have done that in a few cases I can quote. In some cases, it has meant 18, 20 or 25 people put on unemployment insurance when a little bit more sensitivity by the federal tax people might have helped keep the business alive and those people off the unemployment rolls.

The Treasurer has probably learned from some of the mistakes of our federal counterparts, and I hope those lessons will filter down through the bureaucracy.

Mr. Callahan: I have been looking through the various statutes. I started with the Retail Sales Tax Act and recognized that the treatment there was not being done in any fiscal way. It was almost as though by not putting any type of tax on that, which is the appropriate way to collect revenues, they were trying to do it in a way that would be politically acceptable. I congratulate the Treasurer in that I think he is following the long line of things that have happened in the 18 months we have been in office, in trying to put our house in fiscal order.

The reason I say it is interesting is that I then looked at the Ontario Lottery Corp. statute—and that is coming up in Bill 38—and I noticed that in 1974, some four years later, the government of the day was prepared to direct the net proceeds to be payable to the consolidated revenue fund, but they were to be available for the promotion and development of physical fitness, sports, recreation and so on. I have to ask myself the question—and I was going to look this up in Hansard; the member for Brant-Oxford-Norfolk was here in those days—whether it was necessary.

In those days, they did not put these things on a fiscally responsible basis and they did not make the tough political moves. In fact, they were required to opt to that section, to try to provide the funds to meet the needs they did not meet through the fiscal way of providing taxation. As the Treasurer says, taxation is never an acceptable or nice thing—people do not like it—but it is the fiscally responsible way to do it.

I wonder whether the specific section was placed there in 1974 to pick up the slack that came about as a result of their refusal to take the hard line and to impose the retail sales tax on the particular types of activity that would generate income to the consolidated revenue fund and that could be used through the grant process of the appropriate minister, as has been suggested by the Treasurer, rather than going the route they did.

Those are the only comments I have. Perhaps the people who were here at that time know. Maybe there is nothing in it, but it seems rather unusual to me that they would take that approach.

Mr. Barlow: I would like to add a few comments to those already made on Bill 26 as it relates to adjustment of the retail sales tax.

First, I would like to comment on the amusement tax for the nonprofit groups of this society. Many organizations are going to be paying substantial amounts of money through collection. The figures have already been quoted, and I will not bother repeating them. In most cases, they are going to have to collect it from the individuals who will be attending the performances at places such as the O'Keefe Centre, Roy Thomson Hall in Toronto, Hamilton Place in Hamilton, the Centre in the Square in Kitchener, the National Arts Centre in Ottawa and from many other theatres and sporting organizations across the province.

As the debate goes on, I am sure the member for Kitchener (Mr. D. R. Cooke) will wish to rise in his place, as perhaps will the member for Kitchener-Wilmot (Mr. Sweeney) and the member for Waterloo North (Mr. Epp), to defend the concerns of the Centre in the Square. I will give them that opportunity. I do not want to take up the whole afternoon. I am sure the Minister of Citizenship and Culture is also concerned about the concerns the Hamilton centre is raising.

These organizations will add to the price of their tickets. The Treasurer suggested \$20 per ticket as a possible amount of money. A couple going out for an evening show, instead of paying \$40, will be paying 10 per cent on top of that, \$44, because those shows come in from the United States.

It seems to me a little unfair that this would come out of the blue to the members as a proposal without any consultation prior to the bill being introduced. As we all know, it was not in the budget. There was not even a hint of it in advance of the bill actually being put before the House.

I guess this is another charge for which this government is becoming rather famous, that of nonconsultation with the people who are going to be affected in many of these programs. We can think of the debate we had with the doctors back in the fall—

Mr. Callahan: Did the member's government consult before it bought Suncor?

Mr. Barlow: That was not taxation; we are talking about taxation now. This government, during its 14 or 16 months in office, has got the backs up of many different groups in society

simply through lack of consultation. It should have sat down with the theatres and the arts groups and said: "We have a problem. We would like to discuss this and perhaps bring in a tax to replace the tax exemption with something else. Have you any suggestions?" Instead, the arts community had to read it in the paper or it was picked out of an auditor's statement by one of the theatre groups.

Scott Walker, the general manager of the Centre in the Square in Kitchener, estimates the removal of this exemption is going to directly affect about 70 per cent of the centre's productions. That is a lot for that facility, which is struggling to keep its head above water; and to hit the patrons with an extra 10 per cent on their ticket cost could affect the performances. I am sure the member for Kitchener is concerned about that, and I know that when he gets up and gives his remarks, he will also want to defend the Centre in the Square.

17:10

Mr. D. R. Cooke: I am concerned about Scott Walker.

Mr. Barlow: Those were just a few remarks I wanted to make on that part of this bill. The other part I would like to speak about is the tax exemption for prepared foods. Now it is going from a \$1 exemption to a \$2 exemption. Fine; I cannot criticize that. However, back in the election campaign, the Liberals told us the tax exemption for prepared foods would be at a floor of \$4.

That was one of the election promises they made, that and beer and wine in the corner stores; and now that they have come through with the latter, they are going after all these big, high-ticket items. I would like to make a few comments on the last one I mentioned, but I will not; I will stay away from that now, because I know Mr. Speaker would rule me out of order if I got into that item.

The prepared food tax exemption is one I particularly want to talk about. I talked about this when the \$1 exemption was introduced in the previous budget. At that time I did quite a bit of research on a lot of the small restaurants, the small corner stores that sell pop, chips and all these beverages and the doughnut shops where, after the election, people would go in, buy a coffee, go back out and buy a couple of doughnuts later on.

It was an added cost, an added inconvenience, not only to the people operating the restaurants but also to the customers, who have to wait in line while all this nonsense goes on simply because of

the whim of the Treasurer who, instead of implementing his \$4 tax exemption, brought it in at \$1, 25 per cent of a promise.

The people who operate these restaurants have computerized cash registers to speed up the service to their customers and to put more customers through; naturally, the bottom line for them is to make money. When the \$1 exemption came in, they had to have their cash registers programmed at a substantial cost to account for the \$1 exemption. I understand it costs around \$600 to have these machines programmed each time there is a change.

If this bill passes, many of those people are going to be concerned about it. We will try to prohibit it being passed, but if this bill passes, there is going to be another cost to the restaurant operators to bring the programmers back in to reprogram the machines and retrain their sales staff, saying: "Look, do not forget. When it is under \$2, you do not put the tax on."

All this goes on and costs the small businessman who is operating the restaurant. The small business community is taxed heavily enough by the government now in terms of time and effort without adding this additional nuisance tax on them to reprogram the machines. They are the ones who have to argue with their customers. It is not the Treasurer or any other member of the Treasury benches who has to fight with the customers and argue with them every time these little changes come in just so the government can say at the end of this: "Okay, we have half of that election promise accomplished now, that \$4 exemption on tax. Twenty-five per cent was accomplished in the previous budget and 25 per cent in this budget." After another two years, if this government survives that long, perhaps we will be up to the full \$4. Who knows?

The other major item in this bill, which I will not get into because it has been discussed by many of the previous speakers, is the removal of the sales tax exemption for trucks and trailer equipment. Suffice it to say that it does not affect just the trucking industry; it affects every truck that runs up and down the road, all the trucks that bring food to the grocery stores and supplies to the factories.

All these privately owned trucks—and there are many of those on the road, far more than are operated by the trucking industry—are going to be hit by the same sales tax. It means it is a hidden and additional cost to the consuming public to buy our products, whether it is at the clothing store, the grocery store or wherever, because of

the increase in taxes when those who operate the trucks can least afford it.

With those few comments, I am pleased to join in the debate and express my concerns, as well as those of the people of Cambridge and of the small business community, on this very important issue.

Hon. Mr. Nixon: I appreciate the comments made by the member for Cambridge. In reference to his comment on the \$2 exemption, I am very much aware of the problem of cutting off our noses by bits and going to the \$4 promise. I do not know whether we will be able to go further. I should be sure the House is aware that the \$2 exemption costs the Treasury about \$70 million. That is a substantial and important rebate to the families who are taking their kids out for a hamburger or a fast-food supper. It is worth while as an exemption, but I am aware of the inconvenience the honourable member is referring to.

Ms. Bryden: I notice that in this bill the minister is closing some of the loopholes with regard to the collection of retail sales tax owing by retailers. If there are loopholes that need closing, I certainly applaud that effort.

However, I want to speak to him about the philosophy of the ministry, which seems to consider itself merely a collection agency to put retailers through the hoops and get every last penny out of them, regardless of any extenuating circumstances. The minister has discretionary power under the act to reduce assessments in cases of hardship, but he told me last year or earlier this year that he has never used this power.

It seems to me that if the minister has been given power, there must be some cases where there is a need to consider extenuating circumstances or to show compassion. Why else was the section put in the act? The fact that he has never used it seems to indicate a rather hard-line approach to all retailers. He and the ministry seem to assume that if they protest an assessment, they are simply trying to evade taxes—they are all tax evaders—and should be treated with the full power of the law to collect the money owing.

On November 18, the minister made a speech in the House in which he talked about his new approach to the ministry. He was going to have a new team of customer service specialists who would visit as many small-scale retailers and businesses as possible to provide direct assistance in dealing with tax changes. He went on to say:

“On the broader front of improved customer services and tax simplification, I would like to

inform the members I was greatly encouraged by the favourable response I received when I tabled a report on the ministry’s objectives and initiatives at the meeting of federal and provincial ministers of revenue in Halifax in September. I would be pleased to provide interested members with copies of this report. At the same time, I wish to assure members that we fully recognize there is still much to be done in this area and that we are committed to implementing further improvements wherever and whenever possible.”

17:20

After that fine speech and taking the credit for telling the other ministers what he was planning to do, he should be reminded of a case I drew to his attention, where he does not seem to have followed the philosophy of assisting retailers who are having problems fulfilling their commitments under the Retail Sales Tax Act. The kind of people who have difficulty are small retailers, immigrant retailers who do not necessarily read English and for whom tax bulletins are not provided in their native language, and people who have had very little in the way of service from the tax department.

My case in point was a small retailer from Greece who had many years’ experience in the shoe business in Greece and who had been able to support his wife and children in Canada since 1974 by operating a small retail shoe store on Danforth Avenue. In 1985, this retailer received an assessment of more than \$9,000 for what was alleged to be uncollected tax. He had not been given any warning that he was not necessarily keeping correct records or that his remittances looked too low. He was not visited by a retail sales tax official to explain changes in the act, such as the extension to repairs. The only thing he received in the mail were English notices of changes, with no follow-up explaining to him how he should adapt his bookkeeping to take account of them. He had an accountant who kept his books for him, who similarly was a Greek immigrant who did not read English particularly well.

When he received this assessment, he went to the officials and said he could not understand the figures and he did not think he owed anything like this. The assessment was a tremendous blow to a small retailer who was struggling to keep going in a business district that was declining. There was some hope that the business district would improve when a housing development that was planned went ahead, but he was definitely in

a period when an assessment of this sort was a great blow to him.

However, he came to me as well, and I spoke to the minister, who thought perhaps the retailer could work out some repayment deal or question the figures with the sales tax officials. They suggested a repayment deal that would expedite repayment of two thirds of the assessment with the understanding—and I think it was definitely an understanding from ministry officials—that the minister would review his case after he had completed payment of that two thirds. It was a great amount of money for him, more than \$6,000.

He carried out his part of the agreement. He paid the \$6,000 in four months. He also improved his record-keeping and met with ministry officials on how to keep his books. I think he was becoming a much better retail sales tax collector than he had been. However, at the end of the four months, when he had paid his \$6,000 of the approximately \$9,000, he found that the minister was not prepared to consider any remission of any kind or any recognition of the fact he had gone to the bank and borrowed all sorts of money from his friends to make the payments to show his desire to fulfil his obligations. He also suggested his obligations were excessive because he had not been instructed in what he should have been doing.

He had not had any contacts with the ministry over the previous three or four years prior to the assessment. In 1985 the ministry had put him in a special group that was supposed to get help from sales tax officials where it seemed there were problems. He had one visit from this special group to assist retailers, but one month after the visit, instead of the special committee having given him a warning and some instructions on how to do his job, he was given this \$9,200 assessment.

What has happened as a result of his getting no relief and no consideration for his attempt to try to make a bargain to carry out his payments? He has gone out of business, mainly because of this large tax assessment.

Here is a family in which the wife worked in the store as well, a family of five which has no livelihood and will likely have to go on welfare. We have lost a good retail sales tax collector. I think this man deserved more consideration from the minister, because under the previous administrations as well as under the present one, he had received very little service from the ministry officials in Toronto.

I understand they claim they made one phone call to him in the period for which he was being reassessed, but it was simply a phone call to find out the status of his registration and to correct whether it was in his wife's or his own name or both. They did not really discuss his problems of what they considered low remittances or of failure to collect taxes, as they alleged.

The ministry encouraged him to go to appeal. When one gets the assessment, there is a little note on the bottom saying the assessment may be appealed within 30 or 60 days; so he put in an appeal. He put in as his reasons for objecting to the assessment that he had not been notified personally of some of the changes or of the ministry's dissatisfaction with his remittances, that he had not received any training in what he should be doing as far as record-keeping goes and that he felt the assessment was largely a result of the inefficiencies of the ministry in not servicing him.

The minister promised in that 1985 speech he broadcast across Canada that he was going to consider such things in dealing with small retailers. I am sure the minister understands that a person who comes from another country does not read formal notices easily, and while my constituent speaks good English, he does not necessarily read tax legalese or tax bulletin jargon.

I would also like to say I found the appeal process very much a kangaroo court and not a genuine appeal. The appeals branch appoints a person to go and speak with the person who is protesting the assessment. There is no sort of court hearing at which one presents his case. It appears that all they were interested in finding out was whether he could challenge the figures of the assessment.

17:30

Since he had not been instructed on how to keep proper books, he was not in a position to challenge those figures. I looked at the calculations the ministry had provided and I could not understand them. I am not an accountant, but at least I have more than elementary arithmetic at my finger tips. Actually, I had to ask for explanations of very many of the figures. The ministry supplied the explanations, but even the officials could not explain all the figures.

This was the basis of his appeal hearing. There was no hearing, really. He was invited to meet with the representative of the appeals branch to discuss his complaints. The branch had written him, saying his notice of objection complied with all statutory requirements of a valid objection.

However, the branch did not consider any part of his objection, such as the lack of service. All the branch wanted to know was whether he could challenge the figures.

There was also a section in the letter that referred to a matter one of the members of the House spoke about earlier this afternoon. The letter said: "The law requires full payment of the assessment, even though you have filed an objection. If you have not done so, I suggest you forward your payment to avoid incurring additional charges for interest." After I had protested this, as the other member of the House also protested, he got a second letter from the ministry, which said: "The payment arrangement will not affect your right to proceed with the objection. Full payment is not required before your objection is reviewed." That seems to be a contradictory position of the ministry.

When he appeared to meet with the investigating officer, the head of the appeals branch also came. It was somewhat intimidating to have a person there who had just been transferred from the the Ministry of the Attorney General, where the work is mainly prosecuting people. Anyway, she was also a completely new head of the branch. My client met with the reviewing officer and the head of the appeals branch and was simply asked about the figures, and to say what he did not agree with.

I was permitted to be present. I had asked whether I might accompany him and I was permitted to partake in the discussion. The upshot of what was said by the two people with whom we met was that since the Treasurer had already reviewed the case after I had written various letters to him and decided against my constituent, they had no power to discuss any of the objections relating to the lack of service, lack of understanding or unfair treatment of this particular taxpayer. Therefore, it was really only a question of arithmetic, and that was all.

The final blow was that I was informed after the hearing that I would not be given the report, even though I had attended, because I did not have a letter from my client that he would permit me to see it. I thought that as a member of the Legislature I was participating in the hearing. I was supposed to receive the preliminary report from the investigating officer before the hearing. Unfortunately, he did not have it ready, so he said he would send it to me afterwards. I never got anything from him and I have not been able to contact my client, who has been out of the country for a short time. I am sure he would give me permission, but I think a member of the

Legislature who accompanies a client to a hearing of that sort should be entitled at least to the ministry's reasons and the report it makes to the Treasurer.

I think the whole appeals process should be overhauled and I am really shocked to find out how it works in a government that is supposed to believe in open government. There was no public hearing. There was no quasi-judicial hearing to assess his complaint. There was simply this meeting of two high-powered representatives of the appeals branch with a small retailer who could be quite intimidated by that procedure.

I suggest that the Treasurer take to heart his speech of November 18, 1985, and change his tactics as far as dealing with small retailers is concerned. He should also reconsider the case of this constituent in view of the way he was treated. It could be considered almost a violation of the charter, the fact he was given so little consideration on his objections by the appeals branch and was not given any consideration by the minister under his discretionary powers. I thought we had a compassionate government over there.

Hon. Mr. Nixon: I am aware of the continuing interest of the honourable member in this important case. We have discussed it at least twice personally, and I have followed it on a personal basis in the ministry. She and I have come to different conclusions about the case. She may not understand why my conclusion would be different from hers, but it is, and for the time being, I am the minister.

The honourable member's colleague, the member for Etobicoke (Mr. Philip), the last New Democratic Party speaker, just a moment ago congratulated the ministry, through me, on having sensitivity in matters he had brought to our attention. I assure you, Mr. Speaker, it is our valiant attempt to do that, but we eventually have to make a judgement which is ours. In this instance, it is not the same judgement as that made by the client or the honourable member. I regret that, but I have a responsibility in this regard and so does the honourable member. In this instance, we did not act in parallel. I have a certain amount of regret, but on reviewing the evidence as it was presented to me, I had to take the action that she is now severely criticizing.

One matter I do want to respond to is the appeal procedure. She referred to it as a kangaroo court and said it is made up of officials in the ministry. I believe they do a good job. As the honourable member knows, if anyone is dissatisfied with that, an appeal beyond them to the regular court system is quite appropriate and

happens whenever people feel dissatisfied with the circumstances. The honourable member may object. In that case, it might be expected that legal counsel would be retained, but surely an appeal to the courts would only be necessary in matters of substantial importance.

Ms. Bryden: Regarding the appeal to the court, the \$9,000 assessment would be a lot to the small retailer, but it would all be eaten up in court costs if he took this to court to complain about an amount of that size. It was not within the means of a small retailer to go to court.

Second, I would like to know whether the minister has ever used his discretionary power and whether he thinks the lack of service to this client does merit some special consideration. It may not all have been his lack of service, but over the past five or six years the ministry has given inadequate service to this person.

Third, while my colleague the member for Etobicoke may have said in some cases the minister has shown sensitivity, he did end up making a plea for much greater sensitivity from the minister to the small retailer, and it is for that reason I am making a plea.

I am also telling the minister that I think he should know, and perhaps this is the first time he has learned this, that he has actually put a small retailer out of business, because this is his main cost increase over the last year. There has been a slight rent increase, and as we all know, there is no rent control for commercial property; so he would have to expect and absorb that every year. A combination of the rent increase, the very high tax assessment and no remission on it has put him out of business. Therefore, we have another family looking for employment.

17:40

Mr. Gregory: Thank you, Mr. Speaker, for the opportunity to speak on this all-important Bill 26. I am delighted to do so with a few brief remarks, particularly since it has to do with the Treasurer and, more important, the Ministry of Revenue, where the real skills are. I know something of that. I spent a great deal of time training the staff in the Ministry of Revenue to do these things in a very careful fashion. That is why it comes as something of a shock to me to find that the Treasurer, by way of the Ministry of Revenue, is tinkering again.

An attempt was made under the previous government to include everything under retail sales tax. No exemptions were made to favour anyone. The first move the present Treasurer made was to exempt \$1. Remember the great hamburger wars, where it was determined that \$1

would buy half a hamburger or half a pie or something such as that? We had a little fun with that. I suspect the Treasurer took it more to heart and more seriously than we thought he would, because he has gone further with his tinkering. We now have an exemption of \$2. Well, whoop-de-do.

Hon. Mr. Nixon: What do you mean, "Whoop-de-do"?

Mr. Gregory: It is spelled "whoop-de-do."

At first blush it looks like a kind thing to do, and it certainly is; it is exempted up to \$2 rather than \$1.

Hon. Mr. Nixon: It is \$70 million.

Mr. Gregory: As the Treasurer said, it is \$70 million; is that not interesting? He is giving away \$70 million. Later on in my discourse we will discuss how he giveth with one hand and taketh away with another.

I have to say to the member for Brant-Oxford-Norfolk, the Treasurer: he has one eye on his constituency at all times; I do not mean his personal constituency but the voting constituency. The \$2 exemption on prepared foods affects, albeit in a small way, a greater number of people than does ceasing the exemption on the retail sales tax on trucks. It is pretty smart political stuff. He is to be congratulated on being astute enough to realize that there are more little kids buying hamburgers than there are—

Hon. Mr. Nixon: That never entered my mind. One has to go to an old Tory minister for that kind of thinking.

Mr. Gregory: One has to be devious to be a minister of any stripe, and certainly he qualifies in that.

It is obvious; it stands right out. It is costing \$70 million for that exemption, and he is getting in \$65 million from the other. So he is losing \$5 million and making an awful lot of truckers unhappy. I do not think he is pleasing many little kids going out to buy their hamburgers with the \$2 exemption; it does not mean that much. Politically, it is great. Nevertheless, it is tinkering. If he wanted to do something in regard to prepared food exemptions, why did he not make it real? Why did he not make it \$5 or something? Why did he not go the whole hog?

It is not as if those people over there are short of money. With the increased revenues they have had since they became the government, my heavens, they could afford to be far more generous to the working people and to the people who like to go out for a McDonald's hamburger and a Coke every once in a while. They could

have been far more generous than they have been.

With the increased revenue of this government, because of the increase in business—not by any skills it has demonstrated, but with its increased revenue—it could afford to be a little more generous. If it does not feel it wants to be generous—

Hon. Mr. Kerrio: Liberal times are good times.

Mr. Gregory: It is good that they are good times, because if they were not, they could not survive.

Hon. Mr. Kerrio: If things go on as they are, we will be happy.

Mr. Gregory: That is what I understood. The good times are Liberal times. Hard times are New Democratic times. We in the Conservative part of this Legislature can handle all times and do it well. We do not need to have the market forces on our side to run a successful government. Those people have proven time and time again they could not run a peanut stand, and this is a good example of it.

Hon. Mr. Kerrio: Yes, but we are moving in the right direction.

Mr. Gregory: Even the member for Niagara Falls will agree with me. When one is talking about a \$2 exemption on fast foods, that is pretty Mickey Mouse; it is a Mickey Mouseburger.

The Acting Speaker (Mr. Morin): Order. Back to the topic.

Mr. Gregory: I thought I was on it, but I will try to stick a little closer to it.

The Acting Speaker: Speak to the chair.

Mr. Gregory: That is what I am speaking to right now, Mr. Speaker. Thank you for reminding me that I should speak to the chair. I will try to do so in future, but it is pretty hard to speak to you and look out of the corner of my eye to see the reaction of the Treasurer. If you could convince the member for Niagara Falls (Mr. Kerrio) to quit heckling me, it would be very helpful.

I want to get on to the removal of the exemption from the sales tax on trucks. This is a very important and key thing about this bill. There are other important sections in the bill, but the important thing is the removal of the exemption on the sales of trucks. This is going to have untold results that the government is going to regret. That is already apparent. It is so apparent I am surprised the Treasurer has not been able to see it.

It disappoints me, in that I always regarded the present Treasurer, even when he was opposition House leader, as rather astute. Although the wrong thing he is doing here has been pointed out to him by many members of the trucking association, and many people who are not members of the trucking association have also pointed out what is going to happen here, he does not seem to grasp this.

It is as obvious as the nose on my face that truck and trailer manufacturers have increased their hiring because their orders are good right now, but any one of them will tell the Treasurer that they do not have any orders on the books for January, February or March of 1987. The reason for that is quite simple. When talking about a \$100,000 or \$200,000 rig, seven per cent is a substantial amount of money, and they are all rushing to get their orders in. This creates a rather false employment picture, because people are being hired to fill those orders.

One firm is saying that of 360 employees currently on staff, 126 will be laid off as of December 23, 1986. Merry Christmas! Is that not marvellous? That is a direct result of what the Treasurer is doing here. Without his removing this exemption in the callous way he is doing, we would not be faced with this problem. To some, 126 employees may not seem too many, but to me it is. If one happens to be one of the 126 to be laid off two days before Christmas, that is serious stuff.

The Treasurer says he cannot afford not to do this because of the lack of money and the need for money. We did not have this money before, and we were able to reduce the deficit. The government is getting this money and increasing the deficit. Do not tell me they have to have this money. Maybe they have to have it so they can give out an extra \$1 exemption on fast foods; that is marvellous. I guess there are more votes in that, but I do not understand such logic.

When this exemption was given in 1983, I believe it was, the trucking industry was in dire straits. It was a North American phenomenon that the trucking industry was having trouble. That was the reason it was done. It was not done to make anybody \$1 million or \$2 million but for the simple expedient of trying to keep a viable trucking industry in Canada, particularly in Ontario. It was done to save employment.

17:50

I get the impression that the government is not particularly interested in the trucking industry in Ontario. For example, there was the overturning by cabinet of the recommendation of the Ontario

Highway Transport Board not to allow the trucking company—I forget its name—to be bought by Yellow Freight, the big American company. The cabinet overturned it and allowed the American company to purchase this Canadian company.

What are they doing now? Do not listen to me; go to the Ontario Trucking Association and find out what they are doing. Most of the Canadian drivers are gone and American drivers are coming directly from the United States and driving on Ontario roads, with a net loss of jobs for Canadian drivers which is quite substantial.

The member for Niagara Falls has to be totally aware and cognizant of what I am saying, because I imagine the number of American trucks coming over now is very noticeable. He lives in Niagara Falls, where there is an influx of trucks coming from the US. These guys are buying Canadian trucks, but they are using American drivers, and the Canadian drivers are out of work.

That is one example of the problem in the trucking industry. The members of the government have not contributed a great deal to help Ontario, and this is the final blow. They are going to put back the seven per cent with one fell swoop.

There are those who argue that if everybody else pays seven per cent retail sales tax, why should the trucking industry not pay it? That is a valid argument, except the industry has not been paying it, and that was done for the purpose of helping the trucking industry recover from the serious recession it had. Now, when it seems to be getting its nose above water, the government is going to come at it with a seven per cent retail sales tax. Believe me, its profit margins are not substantial. The average profit, I understand, is about five per cent. One can make better than that by putting it in a savings account in a bank. I do not know why the truckers bother with all the aggravation.

The government is going to cause a loss of jobs by doing this. It is obvious, because the manufacturers will not be keeping those people on staff. The government has an artificially inflated employment picture, because it looks good right now, and is saying, "Look at these great jobs we have created." If one had figures and the government came out and started talking about the jobs it created, I bet it would be including those who are being hired to produce trucks before the end of December. The government is going to raise its hands and say: "What a good boy am I. I have created all these jobs." It

has created only part-time jobs, because they will be gone December 23, in time for their Christmas turkey if they can afford one at that point.

It seems to me to be awfully shortsighted when one starts doing things like this. I have some figures here, which somebody might have mentioned before—different opinions from people who have been asked to comment. People have not responded in a mean fashion; business is business, and they recognize that some things have to be done.

The Mack truck company people, for example, comment that having to lay off workers is not entirely the fault of reapplying the seven per cent sales tax, but it is certainly one of the factors. As a matter of fact, they have increased their employment. They were producing 14 trucks a day; they have increased that to 17 trucks a day right now. They are stating now that they will be reducing that to 10 trucks a day as of January. What could be more obvious than what is happening here? It has to be obvious, because the people are buying their trucks today, and that is great.

There is another factor. It is not just a case of the number of trucks that are not going to be sold in the new year; it is the ripple effect on the parts manufacturers all the way down the line. Everybody is going to be affected when these people are laid off and this production stops. The government is going to penalize the guy who has to have new equipment for proper maintenance of his fleet but cannot afford it right now. If he could afford it right now, he would certainly do it to save himself the seven per cent. Since he cannot do it right now, he is going to be penalized when he buys it next year or the year after.

By doing this, the government is also contributing to the safety of our roads, because people will be driving their trucks a little longer, just a touch longer. We have all been travelling east or west on Highway 401, sandwiched between two big transport trucks. If you look down at the tires, they are pretty bald. You get a little nervous, especially when a truck driver is right behind you, if you are travelling at the speed limit and the truck is tailgating. You are not sure about the equipment he is driving. That is very comforting.

This is going to create a ripple effect. It is going to create unemployment throughout the industry for a substantial period in 1987. That is unfortunate. But all is not lost, because the Treasurer has been given much advice on this. One of the recommendations, perhaps the main recommendation, was put forward by the Ontario Trucking Association, of all people. They are not

saying not to charge them the retail sales tax. They are saying that since they have not been paying it and since they are starting to recover, why does the government not contribute to their recovery by phasing in the tax? It might be two per cent in 1987, two per cent in 1988 and three per cent in 1989. The government will get its money; it will have sale tax back on those products without destroying or substantially hurting the people who are trying to make a living in that business.

This was suggested to the government, which should not say it cannot phase the tax in. One of the arguments we hear is that it is too much trouble to phase in. Lord God, if the government can phase in a change from \$1 to \$2 on the exemption for fast foods, and if it can do that without being overburdened by the red tape, then it certainly can do this on the much fewer purchases involved with large trucks or trailers.

It is not a valid argument for the government to say additional staff would be needed in the Ministry of Revenue. The Ministry of Revenue could do this with one arm tied behind its back; it would have no trouble. I have a lot of confidence in the staff of the Ministry of Revenue. As a matter of fact, I have said many times that I have more confidence in the staff of the Ministry of Revenue than I have in the staff of the Ministry of Treasury and Economics.

The minister, for whom I have total respect, is of course excepted from that remark, even though he will not be welcome at Earl's Shell in the future. I understand truckers go there, and when they know the Treasurer is going to be responsible for a lot of layoffs in the trucking industry, I do not think he will be welcome there. He never did mention buying anything there. All he mentioned was going in and talking. He never said he bought anything; so he has not been contributing that seven per cent in Earl's Shell at any rate. I understand Earl's Shell is in Brantford. Or is it Brant?

Miss Stephenson: Not quite. St. George.

Mr. Gillies: On Highway 5.

Mr. Gregory: Is that on the way to Brantford?

Mr. Gillies: Everything is on the way to Brantford.

Miss Stephenson: Including St. George.

Hon. Mr. Nixon: Including the bubonic plague.

Mr. Gregory: I hope the minister will have another look at this matter and consider phasing in this tax. Reimposing the seven per cent sales tax on the trucking industry is going to create

quite a hardship on that industry, and it is very important that the minister recognize that. This is an industry that needs to be very viable in a province as vast as Ontario, particularly since the railway system does not seem to be as effective as it used to be. The large percentage of goods are transported on the highways of Ontario. I could get into a discourse on the need for good roads to accommodate the trucks that travel in Ontario to supply its good citizens with food, but I will not. That is for another day; I think that other day is tomorrow in estimates when we will be talking about the roads. With the Treasurer reimposing the seven per cent sales tax, perhaps we will have less need for improved roads; there will not be as many tractor-trailers using them. There will probably be a few less.

18:00

Hon. Mr. Nixon: The member should not be allowed on the Queen Elizabeth Way.

Mr. Gregory: If I cannot go on the Queen Elizabeth Way, I cannot get to my riding.

Hon. Mr. Nixon: The member should stay there and not come here.

Mr. Gregory: I would appreciate it if the Treasurer did not use my highway in coming here himself. That goes for the Minister of Natural Resources, the member for Niagara Falls as well. Actually, when the Treasurer comes to Queen's Park from his riding, he is not going through my riding. When he goes home, he is. In that respect, I should welcome him to my riding as often as he can come.

There is one other section I would like to touch on very briefly. As brief as I have tried to be, I have gone on longer than I should have. Before I leave this subject, I would like to plead with the Treasurer one more time, if I can ever get his attention.

Mr. Speaker, will you convey to the Treasurer, when you get the opportunity to do so, a plea from myself on behalf of my party, the Ontario Trucking Association, the future unemployed truckers and manufacturers in the truck and trailer manufacturing industry and their children? Will you please try to convince the Treasurer there is a need to phase in the retail sales tax on these products, rather than impose seven per cent with one fell swoop? He can use the same pattern he is using with fast foods; he can even do it a dollar at a time. He will get many more votes by doing it that way. He should apply the tax on a phased-in basis rather than take this chance.

I know I am saying the same thing many of my colleagues have said; I am probably doing it

better. I ask the Treasurer to consider my suggestion when he is hearing it from so many sources, not only in this House but also from the trucking industry, the manufacturing industry and those industries that manufacture the parts for these products. He knows it is coming. Is it not worth his while to give some serious thought to the phasing-in process on this bill?

The Treasurer knows I am telling him the truth. I know he agrees with me, but he needs that \$65 million to provide the exemption on the \$2 meals. I can understand that. However, the Treasurer should think that over very carefully. I can assure him he will not get mileage out of it.

I would like to get into the removal of the exemption from the amusement tax for nonprofit groups; however, I will leave that for some of my colleagues who are more learned on that particular subject.

Hon. Mr. Nixon: I would like to tell the honourable member that with regard to reimposing the seven per cent sales tax on heavy trucks, it was done only after careful consideration. The removal in 1983 was on the basis of the recession that was gripping the industry and many other industries at that time. The statistics indicate a full recovery—as a matter of fact, more than a full recovery.

Ontario is the only province except for Alberta that does not apply the seven per cent tax to heavy trucks, and Alberta has no sales tax at all. We are not bringing it in until January 1; so there is plenty of opportunity for the trucking industry to modernize, as it has been doing in a very dramatic way over the last few years, and that accounts certainly for the projections of lower sales in January and February.

Aside from that short period of depressed sales, which are understandable and regrettable, but more than balanced by increased sales during this period, we expect the buoyancy of the economy in general to continue to apply to the trucking industry and its profitability, its buoyancy and its ability to expand, to be unimpaired.

Mr. Gregory: It becomes increasingly obvious that the Treasurer did not hear a thing I said. I have heard all his arguments and what he has said. He has simply repeated what he has been saying all the time we have dealing with this bill.

Hon. Mr. Nixon: This is the first time I have had a chance to speak.

Mr. Gregory: In what he said to the Ontario Trucking Association and in what he has said to the manufacturing association, in all of these things, he has said the same thing. He is rigid in his approach. Okay, fine.

Hon. Mr. Nixon: I am totally convincing.

Mr. Gregory: Not to me. I am not normally an argumentative sort, as the minister knows; I am sweetness and light itself. But in this case I am totally shocked that he will not consider this phasing. He is making a very bad mistake and he is going to come to regret it when he starts seeing the unemployment figures. He mentioned that the exemption was put on at a time of recession. He is quite correct, but it takes a lot of time to recover sometimes when one has a severe recession, as the trucking industry did.

I can tell him that governments enjoyed some of that recession, and now the Treasurer is reaping the benefits from that. Why not let the trucking industry reap the benefits to the point where it is again viable, instead of taking its money and then applying it to Mickey Mouse projects, as he has with this increase to \$2 exemptions on fast foods?

Mr. Hennessy: I wish to read a letter I have from the Thunder Bay auditorium, which I sent to the honourable Treasurer yesterday. It reads:

“Re Bill 26:

“With the assistance of our member of the Legislature, we wish to express our concerns to you regarding the apparently imminent passage of Bill 26, an amendment to the Retail Sales Tax Act.

“We are particularly concerned with proposed amendments to section 7 of the act, which deals with the 10 per cent admissions tax. The government proposes through these amendments to effectively remove the exemption from this tax for registered charities, such as our organization, save in those instances when performers will not receive any remuneration for the performance or when 90 per cent of the performers of the event are permanent residents in Canada.

“In the case of our organization and several others in Ontario, numerous international performers are presented during the season, as well as many Canadian artists. The economic significance of the passage of Bill 26 is an added cost to our organization of as much as \$200,000 a year. The only avenues open to compensate for this increase are corresponding increases in ticket prices or an additional subsidy from our municipal government. The likelihood of the increase in the municipal subsidy is remote,” and you can say that again, “and increased ticket prices will likely lead to decreased sales overall, thus compounding the problem.

“As the enclosed correspondence indicates, we were not advised nor consulted when these amendments were first introduced in the May 13,

1986, budget. It was not until July 9 that the manager of the O'Keefe Centre indirectly learned of the proposed amendments and their potential harmful effects and encouraged us to make representation to the Ministry of Revenue. We did communicate with the ministry to express our concern, and a meeting was held in Toronto on September 4 between representatives of the ministry and some of the organizations that would be negatively affected. The minutes of this meeting are enclosed for your information.

"This meeting provided that the concerns of the performing arts centres will be brought to the minister's attention. Each of the centres would be advised of the outcome of the briefing. As the centres were not satisfied with the minister's actions as a result of the briefing, they intend to enlist the support of the MPPs to defeat the amendment to Bill 26 in the Legislature.

18:10

"We were not aware of the outcome until we received a phone call on the morning of Friday, October 17, at which time we were advised that Bill 26 as originally introduced was about to be debated in the Legislature. We immediately issued a press release—see enclosed—and notified our mayor, who I think will be our next candidate, and prepared to solicit the aid of our members of the Legislature.

"The minister's letter advising us of his intentions was not received on the afternoon of Friday the 17th, the same day as the bill was apparently to be debated. Our only hope now would seem to be to have the amendments dealing with the admissions tax removed from the bill and referred to committee for further study. This would allow our organization and others similarly affected to make reasonable representation in an open forum.

"We would therefore respectfully appeal to you directly to help withdraw the proposed amendments before Bill 26 receives final reading. Your assistance on behalf of our organization and many others similarly affected would be greatly appreciated."

I ask the Treasurer to give this his kind consideration. I know he likes a buck, but the idea is that he is going to affect a lot of people in the city of Thunder Bay. It was very difficult to get the auditorium built in the first place. It took a plebiscite that was won by only 1,000 votes; it was very close. The people who are behind the auditorium and the people who support it respectfully request that he give serious consideration in regard to Bill 26 concerning the Thunder Bay Community Auditorium.

Hon. Mr. Nixon: I would like to thank the honourable member for bringing the letter from the Thunder Bay theatre to my attention. He must be aware, however, that the exemption prevails for Canadian organizations or Canadian presentations. It is only for people who are not Canadian, who are brought in for high-powered performances, usually for sellout crowds, for the purposes of revenue.

I put my own view to the member sincerely. It is that the amusement tax is properly applied there because it does not seem right that an American performer—I have used the case of Harry Belafonte coming to the O'Keefe Centre—should be exempt from paying the amusement tax.

We are quite prepared through the Ministry of Citizenship and Culture to make appropriate grants in support of the theatre; I am sure we already do. We are prepared to review that. All members who are objective and aware of the facts know this government has increased support to cultural activities and organizations over what it was two years ago. We are very proud of that and it is one of the priorities we have.

Believe me, I appreciate the member bringing this to the House, but I think that this, which is a revenue-neutral change, simply restores the tax to the way it was before the special charitable status was conferred by the government of Canada. I feel it is fair and equitable and I hope the member will give it additional consideration and find it in his heart to support this fairness and equity.

Mr. Hennessy: I would like to reply to the Treasurer. He mentioned about Harry Belafonte and other people coming to Thunder Bay. He has to realize that the Thunder Bay auditorium has only 1,400 seats and therefore cannot charge the money that is charged in the city of Toronto for a performance of that nature. No doubt Belafonte, or whoever it may be, does not come cheap. It costs a lot of money.

Hon. Mr. Nixon: Who do they get?

Mr. Hennessy: Well, Charlie Chaplin, Harold Lloyd. How about the minister? No problem.

Hon. Mr. Nixon: If the member could get them, he would really make a lot of money. If he can get them, I will make an exemption.

Mr. Hennessy: The only thing I will say is that one has to look at the aspects of that because, to get a top-notch performer, one has to realize that it is less—

Mr. Mancini: Get Stompin' Tom Connors.

Mr. Hennessy: What is the little parrot doing talking? He has a moustache today.

Nevertheless, I ask the Treasurer to give me his kind consideration. He is a very good stickhandler and he can make a lot of excuses, but with all due respect, he should not be so tight with a buck and should give the taxpayer a break.

Mr. Baetz: I would like to speak briefly on the amendment that proposes the removal of the exemption from the amusement tax given to nonprofit and charitable groups for performances that are not amateur or Canadian having at least 90 per cent Canadian performers.

The text of my little, brief homily here might be: "Behold, the Treasurer giveth and behold the Treasurer taketh away. Blessed be the Treasurer."

However, as far as the arts community is concerned, I doubt if there are very many blessings flowing from the arts community to this Treasurer. He has described himself on a number of occasions as a parsimonious old farmer. There is nothing wrong with being parsimonious or being an old farmer, there is nothing wrong with that at all; but that is not the image the arts community has of this Treasurer. It calls him "old Scrooge," and that is a little worse.

Frankly, I think we are beginning to see a government which, like an individual, begins gradually to develop a personality. People see it in a certain light, and this government is gradually beginning to be seen by the arts community as being very Scroogeey.

This is a small thing. It is really not a big thing we are talking about here, but this simply reinforces the image the Treasurer is beginning to develop and that is being projected, the image of being a Scrooge to the arts community. This is all very consistent and consonant with that very unhappy Bill 38, in which he wants to take away the lottery moneys earmarked for sports, culture, recreation and so forth.

We are going to have a lot more to say about that piece of legislation, and so is the arts community, because we know what the Treasurer and his government are up to. They are going to try to shortchange the arts community through the withdrawal of the lottery funds designation. We are going to find out too how much money the Treasurer really is squirrelling away. He stopped today just short of what he has in the Treasury now and what he will have next year from lottery funds. He referred to years back, but we know what he has in there and what he is holding. It may be to help his cash flow or whatever, but we see this exemption removal

from the arts community as just part and parcel of the whole style of this government and its attitude to the performing arts.

The strange thing about all this—and this is where we get a bit of the giving and the taking away without the blessing—is that this exemption will affect, particularly, the larger theatres in the province that sponsor such shows, such as the O'Keefe Centre, Roy Thomson Hall in Toronto, Hamilton Place in Hamilton, Centre in the Square in Kitchener, the National Arts Centre in Ottawa, the arts centre in Sault Ste. Marie, the arts centre in Thunder Bay and numerous halls and concert halls that have been built very substantially through government help throughout the whole province. Perhaps some day we will even have a Harry and Bob Nixon Convention Hall in St. George, or a concert hall.

Miss Stephenson: In St. George?

Mr. Baetz: Oh, yes. St. George is worthy of a concert hall.

These very organizations that will be hit hardest by this are the organizations that over the years—thank God there has been an enlightened government in power all these years—have been established with public funds, lottery funds and many donations coming from hundreds of thousands of citizens. Now he wants to impose a penalty on them.

I know the Treasurer is going to say, "We are only doing this for the non-Canadian performers," but what does he mean by non-Canadian performers? There are other people in the act. There are all the staff members who are Canadians. The communities are made up of Canadians, I assume. There are all kinds of Canadian participation in this, and yet the Treasurer zeroes in, in a bifurcated kind of way, and wants to concentrate on the non-Canadian performers. It is not going to work.

18:20

As the Treasurer has heard on several occasions, the theatres are angry because they were not consulted by the Ontario government about the proposed change. Once again, here is the personality of a government developing. The Premier (Mr. Peterson) in the early days said: "We are an open government. We will not do anything until such time as we have consulted everybody who is affected." The Treasurer did not consult the theatres before he planned and decided to propose this tax change.

It was discovered accidentally, as a matter of fact, last July by the auditors of the O'Keefe Centre, and the management of the O'Keefe took it upon itself to inform other theatres and groups

in the province. They obviously recognized that this government would not even pay homage or exercise some good manners by advising the other theatres.

We talk about tourism. All the centres we have been talking about are tourist attractions. We want to bring the Americans over here to see our grand shows at Roy Thomson Hall, the O'Keefe, the National Arts Centre, etc. The government followed our good example in removing the visitors' accommodation tax, which was a very smart move, but now it wants to remove this exemption. There is something very inconsistent about those two steps it has taken.

All of us are very anxious to develop and provide incentives and do all we can to develop Canadian talent. If we want to attract tourists to this province, especially Americans, we are going to have to bring in some top world shows and, through this minor tax exemption, we can provide one more added incentive.

The member for Kitchener (Mr. D. R. Cooke) and the member for Waterloo North (Mr. Epp) ought to hang their heads in shame for not having got to the Treasurer, because Scott Walker, the general manager of the Centre in the Square in Kitchener, estimates that the removal of the exemption will directly affect 70 per cent of the productions there.

There is another member from Kitchener sitting right behind the Treasurer, the Minister of Community and Social Services (Mr. Sweeney). He knows what the Centre in the Square, which was built during our regime, has meant for the cultural life of Kitchener-Waterloo, St. Jacobs, Elmira and the whole region. Here we have the expert in the community, Scott Walker, saying it is going to affect 70 per cent of the performances. It will not be a very happy result.

The same thing can be said right across the province. Taking 1985 as an example, the O'Keefe Centre would have had to come up with more than \$950,000 to cover the amusement taxes on non-Canadian performances. The figure for 1985 in Hamilton Place was \$265,000; Roy Thomson and Massey halls, \$300,000; the National Arts Centre, \$240,000. These are public places. They have been put there by the taxpayer, by the government and by voluntary donations, and they are run by volunteer boards. Yet the government wants to impose, by this silly, short-sighted measure, what amounts to a very substantial financial hardship.

There is something else that is slightly curious about this. There is a total lack of consistency, as one can see throughout the whole act here. Under

the proposed changes, Ontario Place and, I assume, the Ontario Science Centre, the Royal Ontario Museum, etc., will continue to qualify for the exemption because they are funded by the provincial government.

The Deputy Speaker: Order. There are many private conversations going on. It is most unfair to the member trying to make himself heard.

Mr. Baetz: Anyway, I welcome the fact that at least his long fingers have not dipped into the coffers of places such as Ontario Place and the Ontario Science Centre. But there surely is a substantial inconsistency or lack of logic in removing the exemption from Roy Thomson Hall when he will maintain it at Ontario Place. I hope the minister will think that one through very seriously and come back with an amendment.

The other thing is that in any of these theatres, as I am sure the Treasurer knows, we have to face the fact that very often it is the American shows, the popular shows, the Harry Belafontes of the world and all the world stars—

Mr. Gillies: Carmen Miranda.

Mr. Baetz: Carmen Miranda; I thank the member very much. They help in a way to subsidize Canadian shows that are excellent but perhaps not as well known in the world and are on their way up. Thus, a little internal subsidization goes on. Obviously, if the government skims the fat, if it skims what little extra they can make on the American or international shows, there is not much left to subsidize the Canadian ones.

By way of summing up, this whole exercise reflects a kind of parsimony that is misdirected and is not going to help the theatres and the cultural bodies in this province. I know the Treasurer will want to go home tonight and reflect again seriously on this and drop the idea, because it is counterproductive.

However, as I say, that may be expecting too much, because in the weeks ahead we are going to be taking such a good, close look at all that lottery money he no longer wants to designate to the arts and cultural community but wants somehow to redirect elsewhere or whatever he wants to do with it. There is a very concerned community out there, and we shall try to be its informed and compassionate voice in this building to make sure the arts and the cultural life of this province, which flourished under the previous regime, will continue under the present government.

Hon. Mr. Nixon: The member's cultural bonafides are impeccable, since he was minister of culture for a number of years, but he must see a

certain injustice in having the exemption apply, for example, to the O'Keefe Centre and not to the Royal Alexandra Theatre. There is a basic inequity there that we want to correct with this legislation. This is not revenue-producing.

He is not the first member who has referred to the Centre in the Square in Kitchener. I am quite surprised that 70 per cent of its productions would be taxable if this amendment were to become law. It seems strange that a theatre in Kitchener would have 70 per cent of its presentations be foreign—I suppose I would say, probably American. It does not seem reasonable that we would be providing a theatre for that purpose.

For example, I believe they had *Evita* there, which was very interesting as far as the local community was concerned and was well attended. It was the New York group that came to put on *Evita*. Brantford, however, staged *Evita* to full houses with a theatre group that came from Toronto. I am not prepared to talk about the quality of the presentations, because I am sure they were both superb. But the one in this

circumstance would attract the amusement tax, because it was certainly for profit, and the one in Brantford, since it was Canadian, would not, since we want to stimulate Canadian productions, not necessarily American productions, even though they are excellent.

Mr. Baetz: Using the Centre in the Square in Kitchener as the example, the overriding objective of this government, as was the case in our government, was to enhance the cultural life of the city of Kitchener-Waterloo. We cannot do that simply by saying we want only Canadian entertainment there. Last week they had a Soviet symphony orchestra there. I suppose they would not be exempt under this either. That is the overall objective: to enhance and build up the cultural life. The proposed removal of this exemption will do the exact opposite.

On motion by Miss Stephenson, the debate was adjourned.

The House adjourned at 6:30 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario



Second Session, 33rd Parliament
Thursday, October 23, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, October 23, 1986

The House met at 10 a.m.

Prayers.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS LIQUOR CONTROL AMENDMENT ACT

Mr. Shymko moved second reading of Bill 133, An Act to amend the Liquor Control Act.

Mr. Shymko: From the years I have served in public office, I think what I will have to say now will be shared by all the members present today, namely, that private members' hour, such as that held today, is one of the most sacred moments for any member of the Legislature or member of Parliament. The reason is that, for a moment, we can dissociate ourselves from partisan differences and, in the complexity of our system, introduce motions, resolutions and bills that demand an objective analysis and a conscientious decision of support or opposition by all honourable members.

During moments such as these, sometimes even caucuses split over issues and one has free votes instead of total support.

An hon. member: Isn't that something.

Mr. Shymko: My honourable colleague says, "Isn't that something."

That is precisely the nature of private members' bills, that we can vote on our own private, individual convictions and the feelings we share on certain issues. The visitors in the public gallery today, young people, are witnessing, as are the members of this Legislature, a very historic moment. If the bill I am introducing today is passed on second reading, and if, by some stroke of divine providence, destiny or fate, the government sees fit that this private bill should go for third reading, we will be witnessing a historic moment in Ontario because, although this bill may have unanimous support from all of us here today, it is the government which sets the agenda for third reading.

In my concluding remarks, I will be appealing to everyone present and absent that we give serious consideration to the historic nature of this bill, which for the first time will require that all manufacturers and producers of liquor products in this province list the chemical ingredients of

their products on the labels of their products. No jurisdiction in the world is doing this today. Ontario is first. I hope the precedent we will be setting will be followed by other jurisdictions, particularly that of the federal government. It will have a major impact on the lives and the health of our citizens.

The information on these ingredients is readily and freely available from our laboratory at the Liquor Control Board of Ontario. It has provided leadership and innovation internationally. Its chemists and scientists discovered carcinogenic substances that no one in the world knew existed. I refer to ethyl carbamate, discovered by our laboratory in 1979. Talking about coverups, if the members have read the report of the Royal Commission of Inquiry into the Testing and Marketing of Liquor in Ontario, they will realize that information was withheld from the public and from the authorities, according to Mr. Justice Osler, because of a collusion between the LCBO management and the liquor producers of this province.

Members may have read some of the articles in the media that say this bill will never pass because politicians are guided by only one law: political expediency; to hide things, to cover up, say the media. I have faith in our elected officials and in each of the members present that the decision we will be making today will be based on conscience and our concerns for the health of our people and not on political expediency. We will not continue any coverup. I remind the members that if this bill does not pass and it dies on the Orders and Notices, indeed it will be a coverup.

Having visited the laboratory for almost half a day, I decided to prepare this bill. It was a decision that was made relatively recently because, having spoken to Dr. Karumanchiri, the chief chemist and the present acting director of the laboratory, I could not believe the chemical brew we find in our liquor products; they can only be described as "Love Canal cocktails."

When one looks at the Liquor Control Act, which defines our products, one reads that wine, for example, is described as being "obtained by the fermentation of the natural sugar contents of fruits, including grapes, apples and other agricul-

tural products containing sugar, and including honey and milk." The ingredients almost give one the impression of subliminal advertising that this is indeed the land of milk and honey. Why would one not drink milk? Sugar, honey, milk.

10:10

Take a look at the definition of liquor. It says it "includes any alcohol in a form appropriate for human consumption."

Mr. Dean: Is there any form that is appropriate?

Mr. Shymko: We will talk about it; just wait until the member hears the list.

In describing alcohol, the only reference to a chemical content that is non-natural is to the fact that it includes synthetic ethyl alcohol. That is the only reference.

Let me read what our consumers are consuming into the temples of the human spirit, if I may so describe our bodies. It includes the following ingredients: synthetic dyes, eight varieties of them; sodium; sorbic acid; methanol; nitrosamines, cancer-causing ingredients that existed in beer in very dangerous levels right up to 1980, six years ago; and ethyl carbamate. Let us remember the famous coverup of ethyl carbamate, which was discovered in our labs in 1979; one of the scientists was even removed from doing experimentation because they knew and warned about it, and it was squashed because the interests of the liquor lobby superseded the welfare, lives and health of our people.

Mr. McGuigan: What government would do that?

Mr. Shymko: I wonder what government would indeed do this. I am being nonpartisan. One should read the report before making any remarks about a government, because the authorities were kept from being aware, at least according to Osler's report. I do not know anything more than this, but let us not become partisan in this issue, I beg members.

There is diethylene glycol, another word for antifreeze. Do members know that antifreeze is allowed today in our liquors? It has not been withdrawn. For example, 10,000 particles per billion of antifreeze are allowed as a maximum level, according to the LCBO guidelines; so it has not been eliminated. Ethyl carbamate is also still allowed in various levels of maximum guidelines. There is arsenic, potassium ferrocyanide, tartaric acid, volatile acids and sulphur dioxide.

It contains the following metals: iron, zinc, copper, cadmium, lead, cobalt, coumarin, anti-

mony, selenium, silver, mercury and asbestos. Members will recall the famous problems we had with asbestos years ago. It contains agricultural chemicals that are unknown today in terms of pesticides, fungicides and other elements, fluorine, ethyl alcohol, methyl alcohol, sucrose, glucose, soluble sulphates, ascorbic acid and hydrogen sulfide.

The other new substances that, according to the report, are going to be tested this year are calcium, fungicides, pesticides, polyvinylpyrrolidone—whatever that means—dimethyl pyrocarbonate, etc. It lists all of that, indeed a chemical brew.

My dear colleagues should read this report. Time does not allow me to go into the details of the report, but it is a true adventure in mystery, absurdity and contradictions in a coverup that beats any novel I have read lately.

There is information that I will not call false, but I will say it is misleading, in the conclusions that were reached by this royal commission. That misleading, incorrect information is why we have this bill. When I read this report, I said, "There is no way we will allow this conclusion to be reached."

On page 102, the report says that today we have "sophisticated methods" of detecting all these chemicals and detectable substances and "the spread of a consumer movement and of the law governing product liability has made" the public "increasingly aware of the possibility of the existence of health-threatening substances in food, including liquor."

That is not true; in food, yes, but excluding liquor. For years, while our government mandated that we should know the ingredients in cornflakes or in a can of beans, the liquor industry was exempted from listing its ingredients.

I do not have to tell the members that our laws say that if you go to a licensed establishment, a restaurant, you can consume up to 40 per cent liquor versus 60 per cent food. We tell people to consume even more than 40 per cent. I think the arrangement and the proportion now is 50-50. Yet we do not protect the public, in the consumption of that 40 to 50 per cent, through its being aware of what it is consuming.

As well, more than 20 per cent of our population suffers from various allergies. I do not have to remind my honourable colleagues that ingredients such as sulphite, which was recently discussed in the media, can instantaneously kill an individual who is allergic to it. There is evidence in reported fatalities in the

United States and Canada of individuals who were allergic to the substance, drank a glass of wine containing it and died within a matter of a few hours.

We can no longer tolerate the coverup that we as lawmakers have allowed for the past decades in preventing the consuming public from being told what it is consuming in liquor. That is all I am requesting, that in our jurisdiction we exercise the responsibilities we have towards our citizens. I refer to the report again: "The protection of consumer interests generally in this province is undertaken by the Ministry of Consumer and Commercial Relations of the government of Ontario." It will be a cop-out if we say it is for another jurisdiction. This is our jurisdiction.

The LCBO is the world's largest purchaser of alcoholic products, having made and reaped profits for the Treasurer (Mr. Nixon) of approximately \$604 million last year. We understand the implications of the lobby this indirect tax brings to us, but this should not in any way affect our conscientious responsibility to the consuming public and its health.

Mr. Speaker, I would appreciate it if the time that is left could be retained for my concluding remarks.

Mr. Speaker: The member has reserved four minutes and 21 seconds.

10:20

Mr. Swart: I am pleased to rise to speak on the bill before us, I suppose for two reasons. First, as a consumer critic, I feel some responsibility in this regard. Second, I come from the Niagara region, where the very best wines are produced. I want to see the public is assured of this by the very fact that from the labels it will know that there are no additives put in the wine and that it is real, pure stuff that comes from the Niagara region.

I compliment the member for High Park-Swansea (Mr. Shymko) for introducing this bill. I will say immediately, as he would suspect, that I support it in principle. I recognize, as I am sure the member does, that this does not provide the whole answer to the problem. Certainly, we must have strict supervision and enforcement of the quality and openness on the part of the Liquor Control Board of Ontario with all its testing and so on, but this does add very much to the right of people to have pure food to eat and pure liquid products to drink.

I am a little confused about the bill where it says it would "prohibit manufacturers from selling a product unless all of the chemical

ingredients contained in the product," and it goes on to list those, "are identified and listed on the labels of the product in such measurements as set out in the board guidelines regarding the composition of beer, liquor, spirits and wine." Perhaps the member in his final four minutes will explain that a little further. I presume what is meant there is that the guidelines would also be set out and the manufacturers would then state where their product fits within those guidelines.

Although it does not provide the whole answer to the problem of ensuring that we have pure liquids to drink, it does enhance a principle that I believe is sound; that is, the right that people should have to know all the ingredients that are in the food and drinks they consume. That is true with regard to food but only to a limited extent at present with regard to alcoholic beverages. Therefore, this very much fills a gap. There certainly is a great need.

I have here a comprehensive feature article on additives which was carried in *Chatelaine* a while ago. It starts off by saying:

"Food in one sense has never been safer than it is today"—the article deals with what we drink as well as what we eat—"thanks in part to additives that preserve and protect it. It has also never been more permeated by chemicals that colour, flavour, bleach and texturize it. Government regulations are stricter now than they were in the past, but many potentially dangerous additives, some of them suspected carcinogens, are permitted. The amounts usually are small, but no one yet knows the cumulative effect of small dosages over a long period. How can we protect ourselves?"

The first paragraph reads:

"Canadians consume an estimated five pounds of chemical food additives per person per year. Hundreds of these additives are still untested and not yet limited under federal food and drug regulations—or thousands if one includes 2,000 artificial flavours and flavour enhancers which the government does not consider food additives because they are used in infinitesimal amounts."

We do not know what we are consuming in many areas. We did not know what we were consuming in the wines in this province, especially with ethyl carbamate. I was intrigued by these comments on page 101 of the report of the Royal Commission of Inquiry into the Testing and Marketing of Liquor in Ontario:

"Government officials were not informed when unwanted substances were detected, nor were members of the consuming public. When random testing of products already on LCBO

shelves gave unsatisfactory results, suppliers were generally advised and requested to take any necessary action. Such products were seldom removed from the shelves unless such action was requested by the suppliers."

That shows a real, conscious failure on the part of the LCBO and the government of that time to ensure that consumers were receiving a safe product.

If there is one thing the royal commission has done, whether much of it is acted on or not, it is that it has highlighted the problem that exists, particularly at this time, with regard to the chemicals that are so prevalent in our society and, of course, so prevalent in the treatment and processing of the food and drink we consume.

Nobody wants to be an alarmist. But while we concede that, by and large, most of what we consume is reasonably safe, we are into this whole area, and into it a long way and it is going to get much worse, of new chemicals that are not tested, whether it is to preserve the food and drink, whether it is to change the colour or whether it is to change the taste. We can include in this not only chemicals but also such things as radiation.

Because of the complexity of the whole issue, people have a right to expect (1) that their government will protect them and (2) that it will be open and will require that all those who produce these products at least let the public know the ingredients in those products. That may not help somebody such as myself very much, but if the ingredients are listed for beverages and foods, it gives an opportunity to the scientists, druggists, chemists and nutritionists in our society, who know what these chemicals are and what the effects of them may be, to organize action to assure us that if there are any harmful chemicals in those drinks or foods, they will be removed.

I conclude by saying that the recommendations in this report of the royal commission, which are fairly substantive as they should be after what was found, are not enough. We must have legislation with regard to alcoholic beverages and regulations with regard to the food we consume that fully disclose all the ingredients in those products. This bill at least goes part way to assure that happens; therefore, I support it and will be voting in favour of it.

10:30

Mr. South: I congratulate the member for High Park-Swansea for introducing this very important piece of legislation, which I recommend our party support. However, we have some

concerns in regard to it. In looking at Bill 133, we must remember that we address an issue of national scope and that the member is attempting to address a national issue through provincial means.

I submit that it is possibly premature to amend the Liquor Control Act as he suggests. I want to mention that the report of the Royal Commission of Inquiry into the Testing and Marketing of Liquor in Ontario, the Osler report, was recently presented to the Minister of Consumer and Commercial Relations (Mr. Kwinter) and distributed to all members of this House.

Mr. Justice Osler recognized in his report the seriousness of public disclosure of information in the public interest. We all have to agree that the lack of proper communication within the Liquor Control Board of Ontario was the main ingredient of what could have been a very serious public health problem.

As a result of the disclosures ultimately made and the involvement of the health protection branch of the Department of National Health and Welfare, a program was negotiated and put in place whereby the task of testing products for ethyl carbamate was divided between the health protection branch and the LCBO's laboratory. The procedure has been tested on more than one occasion, and it appears to be working satisfactorily.

Finally, the report clearly enunciates where the responsibilities lie in this regard. Throughout the commission's hearings, and especially when considering some of the final submissions, it was obvious that effective co-operation between the health authorities, the marketing agencies and the manufacturers of alcoholic products was essential.

The problem posed by the discovery of ethyl carbamate in many products could have been contained, if not solved in very short order, if representative agents of manufacturers in this country and the health protection branch had been advised of the findings at an early stage. The question of acceptable standards could have been addressed if the combined expertise of the health authorities, the winemakers and the distilleries could have been tapped.

It is with this background of the Osler report in mind that we should turn to an examination of the member's bill before us today. First, I would like to point out that after his lengthy and comprehensive investigation, Mr. Justice Osler did not recommend such disclosure. However, submissions were made to him arguing in favour of such measures. This is an important consideration in

the discussions here today. This is an issue that must be addressed on a national basis primarily because it is the federal government that enacts national standards under the Food and Drug Act.

Further, because alcoholic beverages are manufactured and distributed on an international-interprovincial basis, it would be chaotic to require different labelling in each province and territory. What is required is consistent standards across our country. It would be a little chaotic and disruptive to have provincial-only labelling.

Clearly, as the Osler report states, there is need for concerted and cohesive action on the part of all liquor boards. This is already happening. The 12 liquor agency chairmen from across the country are meeting to discuss the recommendations of the Osler report. In January, LCBO chairman Jack Ackroyd assumes the position of president of the Canadian Association of Provincial Liquor Commissioners. He is planning to put the issue of disclosure of contents on the commission's first agenda.

The federal government takes the position that such a measure would be national in standard. There has been correspondence between our Minister of Consumer and Commercial Relations and his federal counterpart.

The problem with my honourable colleague's bill is that it is premature because it precludes the study of proper definitions of some of the ingredients that have to be disclosed. In the world today one of the things that has happened recently is the fantastic advancement in our ability to analyse. Many years ago, when I first became engaged in sanitary engineering, we spoke in terms of parts per million. A part per million is one pound in 100,000 gallons.

Mr. Runciman: Is that what Ed Norton was, a sanitary engineer?

Mr. South: I thank the member for Leeds.

We all can visualize a pound. We all can visualize 100,000 gallons; that is five household swimming pools. Thus, for most of us, when we speak in terms of parts per million we have a grasp, a sense, a gut feeling of what it is all about. But very quickly, with the advancement of modern technology, we were talking in terms of parts per billion. That is one thousandth what one part per million is. Then it was parts per trillion, which is one thousandth of that. We are now talking in terms of parts per quadrillion.

Do the members of the House have a sense for that? I am lost, because they tell me a part per quadrillion is one second in 30 million years. That is getting close to infinity; it is getting close

to molecular size. Personally, I have lost a sense of its magnitude, a sense of its importance. One of the problems we face, even though we can list these ingredients, is in determining the fineness or the infinite smallness of the material we want to indicate.

My earliest days of imbibing anything alcoholic go back to when I was very young. My father used to make dandelion wine, and one of the features of the preparation of dandelion wine—I do not know whether it added anything to it—was that my father had a hole dug in the garage, where the dandelion wine was stored in bottles for a period of time.

Of course, as young children, we were intrigued. We were seeing movies at that time. They did not have talkies then, when we used to go to these movies; they were only a nickel. There were no talkies, but westerns were very much the movies of the day. You would see the saloon scene, and the villain would walk in and swat back a good dose of something or other that was in a glass.

We were trying to re-enact these western scenes as children would do; so into the corner—

The Acting Speaker (Mr. Morin): Order. We would have liked to hear the end of the story, but your time has expired.

Mr. Runciman: I am pleased to rise and speak on the private member's bill introduced by my colleague and good friend the member for High Park-Swansea. The member is someone for whom I have a great deal of respect. He cares deeply about issues such as this, and he does not hesitate to jump in where others fear to tread.

When we talk about the contents of alcoholic beverages, I am reminded of the story of the Women's Christian Temperance Union having a banquet a number of years ago across the hall from a dinner being held by the distillers' union. Somehow there was a mixup, and the temperance union received the dessert that the distillers' union was supposed to receive. It was a spiked watermelon.

The headwaiter was aware of the error after it had taken place but did not say anything. He waited until the dinner was over and then went to the waiter and said, "Did you have any complaints about the dessert?" He said, "No, I did not, but I did notice that all the ladies were putting the seeds in their pocketbooks."

10:40

That story spells out somewhat my quandary with respect to this issue. There are pros and cons to knowing the ingredients of some of these products. All the members of this House are

aware that the Osler royal commission was established to discover why some products found on LCBO shelves across this province had continued to contain unacceptably high levels of ethyl carbamate despite concerns expressed within the board over a period of years.

When the current government was advised of this situation, it felt it had fallen upon a political bonanza. The minister in particular made a number of outrageous and irresponsible comments that, according to many in the Ontario wine industry, did serious damage to their holiday sales during the Christmas-New Year's period, traditionally the best time of year for these companies.

As Osler pointed out, the minister's scare tactics were totally uncalled for. I quote from page 105: "Ethyl carbamate is a known animal carcinogen, but although it is treated as a potential carcinogen for humans, no satisfactory evidence that it actually affects humans is known to exist." The minister jumped out into the hall at the first microphone placed in front of him, as he is wont to do, and started making off-the-cuff comments that inflicted serious damage on our provincial industry.

The government's hopes for political gain were dashed by the results of the inquiry, which found, and I quote from page 101 of the study, "Government officials were not informed when unwanted substances were detected." All that hullabaloo in the hope of embarrassing the previous administration was unfounded.

I want to echo the concerns of my colleague the member for High Park-Swansea with respect to the government's inaction to date on the recommendations from Mr. Justice Osler. As the justice indicated, the Liquor Control Board of Ontario, as the world's largest purchaser of alcoholic beverages, should be taking the initiative with respect to standards for such beverages. To date, we have not seen any action on that front.

I am prepared to support this bill because I share the concerns of my colleagues and other members of this House. However, I do have some reservations that should be placed on the record.

I have a concern about this type of requirement applying only to Ontario and to imported products. As the member for Frontenac-Addington (Mr. South) pointed out, products of other provinces fall under the jurisdiction of the federal government. In the long term, this could have a negative impact on the competitive position of Ontario products. On the other hand,

an argument can be made that it might prove to have a positive effect as discriminating buyers may well prefer products that list the ingredients. It is a grey area. We do not know what impact it might have, but it is something that should be looked at closely before the government makes a commitment.

Another concern is that the listing of ingredients will in effect provide the recipe for these products. I am told this could prove to be damaging from a competitive standpoint for the Ontario industry.

In summary, although I have some reservations, I urge members to support this bill. If nothing else, it sends a signal to the government that the concerns arising out of the Osler royal commission require attention now, not two, three or five years from now. I commend the member for High Park-Swansea for bringing this matter to the attention of the House.

Mr. Charlton: I too rise to support second reading of Bill 133. I congratulate the member for High Park-Swansea for bringing forward this bill. I will go a little further; I congratulate him on his conversion. I am not going to get wrapped up in a debate as others have today about standards and questions of science. For me, this bill is a piece of right-to-know legislation, nothing more and nothing less.

As my colleague the member for Welland-Thorold (Mr. Swart) said, this does not necessarily protect the health of the people of this province. It allows people to know what they are consuming, what those products contain and, if they wish, to pursue the question of whether they think that is healthy for them. Therefore, it is right-to-know legislation we are dealing with here today.

I remind the member for High Park-Swansea that in April 1982 we debated a private member's bill of mine here in the House, a safe drinking water act. The member's party stood and blocked it; so it never came to a vote. Some years ago we debated a rather comprehensive bill on right-to-know legislation that would have included this and a whole range of other things; again this was blocked by his party. Unfortunately, because I have not looked at the record, I cannot point to whether the member was one of those who stood to block the bill, but his party did, and I did not hear any complaints from him at that time.

I wanted to point out that this is not the first time we have dealt with these kinds of issues and that this Legislature could have resolved this situation a long time ago.

Having said that, I will get back to the positive aspect and the support for this bill today. As the member for High Park-Swansea and the member for Welland-Thorold have said, we have a situation where hundreds of thousands of different chemicals are being used in this society on a regular basis. Standards for those chemicals tend to get set at very low levels, and our governments and scientists tend to tell us that at that level there is no possible harm, even over a lifetime, from consumption of that chemical.

On the other hand, everyone readily admits that if small amounts of 50,000 different carcinogens are allowed in the things one consumes and breathes and takes in through the skin, no one knows the effects of the combination of different carcinogens on a human body in the long run.

We have to allow the people in this province and this country to realize the extensive and expanding number of dangerous chemicals they are being exposed to and consuming in some way, even though in small quantities; they are in soap products, in the air they breathe and in the things consumed through their mouth. That is not going to answer all their questions about whether the products they are eating are healthy, but it would enable the public to understand the breadth of the problem that faces us and to start asking the questions the average person is not asking today unless there is some specific local circumstance such as we learned of very recently here in Toronto in the media: the lead in the soil in Riverdale and some areas around there. In general, unless there is some local circumstance such as that which frightens people, questions do not get asked.

When people drink milk or eat canned corn, they do not think about the potential harm of the pesticides, herbicides or other chemicals used in processing that might be contained in those products and that they might be consuming. They do not think about it; so the questions do not get asked.

10:50

This bill starts to address the problem of the public's right to know and its right to ask questions about what it then knows.

The member for Frontenac-Addington talked about uniform standards. Of course, we want uniform standards right across Canada when we actually get to the stage of setting standards for the content of certain chemicals in consumables—in food products, alcohol products and so on—but we have not had any action from the federal government.

If Ontario, being the largest market in this country—it does not matter whether we are talking about food products, alcohol products or whatever—sets a standard for the labelling of those products, that standard will become the national standard or at least the minimum national standard. The federal government may try to outdo the Ontario government at some point by creating an even stiffer standard, but that is not to the disadvantage of Canadians; it is to the advantage of Canadians.

In the absence of federal standards and federal labelling legislation, I suggest that legislation here in Ontario, because we are the largest market in the country, will ultimately force the issue of labelling of alcohol products right across Canada. It is a small step—and I want to emphasize that in this bill—because it deals only with alcohol products.

I have an additional concern—it is not a criticism of the bill; it is a concern—and we should think about it. If the member feels the same concern that I do once I have expressed it, he should ask that this bill, if it passes, go to committee of the whole House while we pursue this question. I am concerned with the word “ingredients.” I am concerned because it may be a legal loophole. I do not know. I am not a lawyer, and I am not enough into legal hitches to be sure, but the word “ingredients” has always meant to me those things that are put in. With food or alcohol, that would force the manufacturer to identify the pesticides, herbicides or whatever the case may be that are in the drink or food.

My concern is whether the use of the word “ingredients” provides a loophole through which chemicals produced in the process may slip through—chemicals that are not intentionally added by the manufacturer but are a product of the processing; not just contaminants or byproducts, but products of, in this case, the fermentation or distillation processes. I understand that ethyl carbamate is a product of the fermentation process; it is not an ingredient. That is my concern; it is not a criticism. We should try to answer that question. If this bill is going to be allowed to proceed to third reading, we should answer that question before it receives third reading.

Having said that, I support the bill. It is important that we get on with this question of the right to know in Ontario. It is important that the people who live in this province have the right to know what is in those products and at what level, whether they are consuming alcoholic beverages.

ages, food products or any other beverages so that as a society, they can start asking the questions that relate to people's short-term and long-term health. Those questions will never get asked if people do not know what is in the products they are consuming.

M. Shymko: Tout d'abord, je voudrais répondre aux questions du député de Welland-Thorold sur le système de mesures.

Je voudrais indiquer qu'il y a un système de mesures qui existe en Ontario. Ce que je trouve tragique, c'est qu'il y ait 17 éléments, que j'ai lus au début de ma présentation, dans l'introduction de ce projet de loi, qui ne sont régis par aucune mesure, aucun contrôle de la part du gouvernement fédéral. Mais nous, nous avons un système de mesures et un système de contrôles.

Ce système existe. Ce que je trouve tragique, c'est le fait que la vente de ces produits ait augmenté, les profits des producteurs aient augmenté, le revenu pour la province de l'Ontario, pour le trésorier, ait augmenté. La variété de produits contenant des éléments chimiques augmente chaque année et le niveau de danger augmente en plus. Qu'est-ce qui diminue? C'est le nombre des employés qui diminue, en même temps que le standard et la qualité de la vie et de la santé de nos citoyens. C'est ça qui diminue.

Je voudrais vous informer, Monsieur le Président, sur la question du carbamate d'éthyle. C'est un ingrédient, un élément qui est cause du cancer, ce qui a été bien soutenu par des recherches. Vous savez, Monsieur le Président, qu'au cours des derniers cinq ans, plus de 150 produits de bière, d'alcool et de vin auraient été soustraits à la consommation de nos citoyens si les exigences du docteur Karumanchiri avaient été prises au sérieux, il y a cinq ans.

Des milliers de gens ont reçu des doses de cette substance cancérigène—pas seulement deux fois le niveau permis. Le niveau fédéral a été introduit au mois de décembre 1985. Le maximum est de 400 parties par milliard. Ceci est le maximum, et le minimum est de 30 pour le vin et de 400 pour les liqueurs.

Nous savons que pendant cinq ans, il y a eu, en Ontario, des produits qui ont été vendus, qui ont été bus, alors qu'ils contenaient un niveau de 240 fois le maximum et on ne savait absolument rien à ce sujet-là.

I am disturbed if somehow the remarks of the member for Frontenac-Addington indicate that this bill will be killed on third reading. The liquor lobby is the strongest lobby in this province, and I am fighting a lone battle. I beg the House for support.

I received a call from an individual known as the government relations officer of Hiram Walker yesterday, who said there was no consistency in labelling. I will tell members, Hiram Walker has accepted the standards of Ontario for the contents of its product for all of Canada. For him to say they have a problem because they will have to have one set of labels for Ontario and other sets of labels for the other nine provinces is a cop-out. The labels will be made for their product according to the very strict standards of Ontario, where the federal government has no standards over 17 chemicals. They make sure that the quality of the product has them, and they certainly are consistent; so it is a cop-out.

There are other elements. If we owe anything, it is our responsibility to make the health of our people a foremost priority in this bill.

The Acting Speaker: This ends the debate on ballot item 19.

Mr. Hayes: As I understand it, the House has agreed to proceed with resolution 63 standing in my name and not with resolution 49, of which I have given notice. I therefore ask the House for unanimous consent to proceed with resolution 63.

The Acting Speaker: Is there unanimous consent?

Mr. J. M. Johnson: Our party is willing to give unanimous consent to proceed with this resolution, but we serve notice that our caucus would much prefer that the honourable member follow the time notices set out in the standing orders of the Legislature and serve the proper notice, so that we do have an opportunity properly to prepare our case for the debate.

11:00

The Acting Speaker: Is there unanimous consent?

Agreed to.

ASSISTANCE TO FARMERS

Mr. Hayes moved resolution 63: That in the opinion of this House, recognizing that this year and next year the farmers of this province are facing the worst financial crisis since the Depression and it is now estimated that one third of all farmers with Farm Credit Corp. loans are in jeopardy, and recognizing that traditionally Ontario provides substantially less financial assistance to its farmers than other provinces do, the government of Ontario should, through supplementary estimates this fall and the new budget in the spring, increase its overall financial

assistance to agricultural producers to at least the average level of the other provinces in Canada.

Mr. Hayes: I would like to thank the other two parties for their co-operation. I realize this is really a last-minute type of resolution. I appreciate the co-operation in allowing me to present this bill here today. I hope I will have the opportunity to give longer notice in the future when I present any other resolutions or bills.

I present this resolution today because it is a must if we are going to meet the needs of farmers today. I realize the problems in the agricultural industry are not just in Ontario but across Canada. However, it is very upsetting that the province in which we live, with agricultural sales of more than \$5 billion, is the least supported and is ranked lowest, with 18 cents of assistance provided per dollar of food production.

I know the Minister of Agriculture and Food (Mr. Riddell) will continue to boast about increasing the budget and will continually tell us that the previous government has been underfunding the agricultural budget for years. The farmers in Ontario are tired of those stories. They want to know what the government is going to do, not what the previous government failed to do.

Farmers are very proud and they do not want to depend on subsidies. They do not want so-called handouts from governments. What they want is a fair price for their commodities and their labour, which I will talk about a little later on. What this government has to do immediately is to increase its budget and its overall financial assistance to agricultural producers to at least the average level of other provinces in Canada.

When I ask for support on this resolution, I want everyone to understand that moneys can be made available to use for programs to help farmers on the land, not some of the Band-Aid programs that we have seen that encourage farmers to leave the land. Because of the immediate crisis in agriculture today, it is imperative that we immediately expand and improve some of the existing programs, for example, the Ontario family farm interest rate reduction program and the beginning farmer assistance program.

I want to touch on just one issue, namely, the OFFIRR program. I have some reservations about whom it is really supposed to help. I have a case of a farmer in my riding with a family farm. The farm has been in the family since the early 1800s. Today this person applied for the OFFIRR program. From one of the remarks that was made, the reason that individual was turned

down was that OFFIRR was targeted to those operations which would be able to provide a family living under normal circumstances. I would like someone in here today to tell me what are normal circumstances today in the agricultural industry.

I have another one where a farmer was turned down because he was working at an off-farm job to try to keep the family farm going. He and his wife were both working. He was turned down because he was told his operation was not a viable operation. This is why I question some of the programs. Some of the programs do good for some people, but I wonder whether it is not another case of encouraging them to leave the farm.

A few years ago, these same farms were viable and could provide a family living. Why are these farms not viable today? Why are they not able to provide a family living today? It is simple. For the last seven or eight years, farmers have been receiving less for their products than it costs to produce them. The bottom line is that farmers have been hit with high interest rates, escalating costs of production and low commodity prices.

Over the years, some farmers were able to build up surpluses and some of them had their farms paid off, but now those people are using up those surpluses and producing food at a loss. They are holding on, hoping the market will turn around. Then there are those who started farming seven to 10 years ago who were not able to build up surpluses. Those people are gone today because of some of the large mortgages and low commodity prices.

This brings me to another point. On the one hand, we have one program to encourage young people to start farming; and on the other hand, we have a program to encourage those already farming to leave the farm, the farmers in transition program, for example. No doubt it has helped some people. What bothers me are those cute little window-dressing phrases such as, "How to land and keep a job." This is a course for which the FIT program will pay tuition.

What we should be saying to farmers is, "You have been producing cheap food for too long and we are going to assist you in getting a fair price for your commodities and your labour." Then the phrase should be, "This is how to keep your land and continue farming."

About 75 to 80 per cent of farm families have off-farm income now, which is used to support the family and subsidize food production. Where are these other jobs that the FIT program is going to train farmers to take? If we want to create jobs,

let us boost the agricultural industry and free those farmers from those off-farm jobs, so they can do what they want and know best how to do: that is farm, and farm full-time.

I ask for support on this resolution because of the crisis in the agriculture industry that we are faced with right now. We are in a situation now where we cannot afford not to expand and improve on existing government programs, even though I have to look at these as Band-Aid solutions that help in some cases. However, they do not address the real problem, that is, low commodity prices.

11:10

The real solution to the problem in agriculture today, as I and many farm organizations and consumers see it, is supply management. I know some people are against marketing boards because they feel they restrict the free enterprise system, and there is on the other side the large corporations that lobby politicians. It is quite clear to me what the free enterprisers are looking for now. They are looking to squeeze out the little guy and make the family farm extinct, and they are doing a very good job of it.

The family farm is the backbone of this country. As I mentioned earlier, farmers are proud. They are proud of their land and they love their land, but thousands of them have been discouraged. They have gone bankrupt and have been foreclosed. The stress on family life has been enormous. Wife and child abuse cases abound and suicides are at an all-time high. Because of low prices, farmers have been forced to produce more. Some farmers felt that by doubling their production, they could double their incomes. Land was pushed to its limits and prices became further and further depressed.

I support very strongly the moderate-sized family farm because these people not only take care of the land to make a decent living, but also want to preserve it for future generations. There are some people who think we need larger and fewer farms and they feel that company-owned farms would produce food at a lower cost. If our goal was to produce cheap food, that might be the case. We should take a good look at how large corporations view a natural resource such as agriculture. Look at what has happened in our forest industry. All they did was rape the land for short-term profit.

If we believe in the family farm, then the farmers should receive a decent and adequate income. This has to be done partially by supply management. Some feel that supply management means higher prices. In a free market system,

there are times when the product is very cheap and times when it is very expensive. When prices are low, farmers lose money and they go out of business. When the prices are high, others rush in.

With supply management, prices can be stable and farmers can plan their operations. At the same time, they take care of and preserve the land. I would like to give an example. This comes from one of the farm magazines. The title of this little clipping is, "Cereal Sob Story Soggy." It says: "While Canadian millers and bakers have managed to delay a proposed hike in domestic wheat price, cereal prices have shot up 20 to 40 cents. The baker and milling industry has warned that raising the domestic wheat price from \$7 to \$10 a bushel would raise food prices as far as breakfast cereals go.

"This seems to have happened anyway. Wheat-based cereals such as shredded wheats and brans have jumped sharply. Jim Whitelaw, sales manager for the Ontario Wheat Producers' Marketing Board, is angry about the increase because the millers, bakers and breakfast cereal makers warned a House of Commons committee that a price increase would put them at a competitive disadvantage with US products and force them to reduce production and lay off staff."

Then he goes on to say that they have gone ahead and done it anyhow. He said the price of a box of one shredded wheat product has increased from \$3.19 to \$3.60 and the price of one type of bran-based cereal went to \$4 a box even though there is less than a nickel's worth of bran in it.

People are afraid that if the farmers get a decent price for their commodities and their labour, they are going to put prices way sky high. This is one little example of the people who are really causing the prices to be high, with the farmers getting nothing in return and no credit for it. Actually, what is happening is that these people can raise their prices by 20 to 40 cents, but the farmer is lucky to get a nickel return for the product.

I would like to stop at this time and give some of the other members an opportunity to speak on the bill. I hope they are supportive of my bill.

Mr. Speaker: The member for Essex North reserves the balance, which is four minutes.

Mr. McGuigan: I am happy to participate in this debate this morning on this very important subject. I wish to congratulate the member for withdrawing his original bill and presenting this one today, which I believe speaks more to the problem than the other did. It presents a specific

solution to a specific problem. It is one I would like to argue with on some other occasion; because he has mentioned ways perhaps I will touch on it as we go on.

I first want to point out that the record of the Ontario government is not nearly as off base as we would believe if we look at some of the superficial figures. Much is made of the comparison of provincial budget expenditures per farmer. Sometimes Ontario's figure looks a little small, but one has to remember that in Ontario we have a very large number of census farmers. The member mentioned that we have many farmers who are part farmer and part industrial or professional worker. On a commercial farm basis, farms that produce \$10,000 or more in gross sales, Ontario performs much better.

As to estimated 1985 provincial government assistance per farm of more than \$10,000 in sales, the Alberta figure is \$20,243; the Saskatchewan figure, \$18,757; the Manitoba figure, \$20,489; and the Ontario figure, \$18,270. We are not far behind the other provinces.

As important on a program basis, Ontario's assistance is far more effective. There is a much-heralded \$2-billion Alberta farm program, but it is not a direct transfer of \$2 billion; it is a guarantee on loans of up to \$200,000 per farmer, with interest rebates down to nine per cent. The estimated direct Alberta government expenditure on this program in 1986-87 was approximately \$40 million. They do not talk about \$40 million; they talk about \$2 billion in Alberta.

11:20

The enhanced Ontario family farm interest rate reduction program that was recently announced provides interest rebates on loans up to \$260,000 and interest down to eight per cent. Estimated provincial government expenditures for 1986-87 are \$60 million. That is \$40 million more than in Alberta. Over three years this program will transfer \$150 million into the pockets of Ontario farmers. Moreover, the program does not have a contingent liability on this province.

Compare this with the Saskatchewan loan program of \$25 an acre at six per cent on a per farm basis. A Saskatchewan farmer would have to farm 1,560 acres to receive the same subsidy payment as the OFFIRR rebate that an Ontario farmer receives on \$260,000 with interest rates at 11 per cent. As the average Saskatchewan farm is 952 acres, again the Ontario program is a more effective transfer for both the Ontario farmer and the Ontario taxpayer.

Again as an example, in 1985, total government expenditures to Saskatchewan farmers

totalled \$591.6 million, of which \$546.4 million was provided by the federal government; of this, more than \$210 million were crop insurance payments. Out of the percentage of 1985 Saskatchewan net farm income, total expenditures were 84.4 per cent, and federal government expenditures were 78 per cent of provincial net farm income.

Similar federal expenditures as a percentage of provincial net farm income for Alberta, Manitoba, Quebec and Ontario were: 67.6 per cent for Alberta, 28.7 per cent for Manitoba, 18.7 per cent for Quebec and 10.9 per cent for Ontario. By comparison, provincial expenditures as a percentage of provincial net farm income in 1985 were: Quebec, 22.5 per cent; Manitoba, 7.7 per cent; Saskatchewan, 6.5 per cent; Alberta, 16.3 per cent; and Ontario, 12.3 per cent.

One really has to get down and dig into the figures to find out what is the effective level of support between provinces, and Ontario's position is one to be proud of.

Nevertheless, I would support the member in saying that, in this global economic agricultural war that we are in, fighting with the European Community and the United States community, if we are going to preserve our agriculture, we have to put in more money. The Agricultural Institute of Canada just put out a figure yesterday saying that we need to inject \$4 billion into Canadian agriculture in order for it to survive.

The real issue becomes not a question of whether we are going to do it, because we will do it; it becomes a question of how we do it. We have to look at what governments around the world have done. It is really because of government involvement, especially in other countries, that we find ourselves in this position. We have to ask ourselves, are we helping farmers or are we hurting farmers when we give them money? In many cases in the past it has been that we have hurt farmers.

In Ontario in the past two years we have taken the position that universal programs hurt farmers. When we pass out money on a universal basis, when we pass it out to those farmers who are rich—and a lot of farmers are rich and do not owe any money; they operate their farms on their own capital—it simply gives them money that they can invest in agriculture to increase their production; or as an alternative to go and buy their neighbour's farm.

These universal programs really do not help the persons who need them, in general the young to middle-aged farmers, the persons in the 25 to 40 age group, who in order to farm had to invest

in high-priced land. In order to survive in the production race, they had to invest in a lot of heavy equipment and were caught with high interest rates, as has been mentioned. Those are the people who really need the help. Those are the people, for the benefit of the young people in the gallery today, who are going to provide the food for that generation. The older farmers, who are not in debt and who are winding down their operations, passing them on to another generation, are not the people who are going to provide the bulk of the food. It is going to come from that middle group.

We targeted them with the OFFIRR program. We said there are people at the very bottom of the scale, those with hardly any equity at all in their farms who have to pay these high interest rates on the total amount. They simply cannot make it. As much as we would like to help them from a compassionate standpoint, from a practical standpoint we are even hurting those people when we give them money because it would prolong their agony. It would drag on for one or two more years, and they would be getting one or two years older. They are getting that much less able to make the transfer out of agriculture into some other occupation, and we end up hurting those people.

We also take money that would be better spent on the targeted group. Even though the amounts of money we are giving the targeted group are large, we all recognize they are not large enough. The most effective use of that money is by a targeted group. We do not touch the people at the top end of the equity situation because they do not need it. As I mentioned before, universality, which would include those at the top end, works against those in the middle and at the bottom.

This is a very defensible, sensible and economic way of trying our best to help the farmers of Ontario.

Mr. Stevenson: I am very pleased to have the opportunity to take part in the discussion on this resolution. Our party will be supporting the resolution. We are pleased, as was the previous speaker, that the resolution has been changed because I am fairly confident that we could not have supported the resolution as it was originally written.

As we look around the agricultural scene in the world today, in the western world in particular, the developed nations of the world, we see a situation where we have general overproduction in many of those countries and yet the countries that need food are not in a position to afford to buy it. We have the United States, Canada,

Australia, Europe and many nations of the world in a position where they cannot market the products they produce well at a price that makes much sense relative to production costs.

There are many reasons for this overproduction, but government involvement in agriculture is one of the significant reasons for overproduction. The best example of that is the situation in the European Community which, in the 1960s, was a major importer of most of the main agricultural commodities needed to feed the people. Largely as a result of government programs it became self-sufficient in the mid-1970s and now produces 20 per cent to 30 per cent more than domestic needs in most of its major agricultural commodities. That has created real problems around the world. They are subsidizing exports to the international marketplace and causing problems for other countries.

11:30

What has been the response to this on the international scene? This January, the United States brought in the Food Security Act, more commonly referred to as the US farm bill. Originally, it was estimated that it would pump something in excess of \$50 billion into the US agricultural economy over the next five years, but now the estimate is more than double that. It has caused very serious repercussions in other countries; for example in Canada, Australia, Thailand, New Zealand, Brazil and so on.

Our farmers now are faced with commodity prices that are totally unrealistic when related to the cost of production. They find themselves in a position where they cannot possibly make most of these farms pay, or support their families from the farm operation.

In the summer of 1985 we saw a whole new ball game started in government funding to agriculture. The kickoff was the US farm bill. Some other governments have responded by getting involved in this ball game. In the last budget, the agriculture ministry in Alberta received a 75 per cent increase in funding. Saskatchewan agriculture received a 100 per cent increase in funding in the last budget. I have the budget right here. In Saskatchewan, for example, the increase was by more than \$200 million. In Alberta, the budget is for \$434 million. The previous year it was for \$214 million. That is a 75 per cent increase. The new programs there are very lucrative; in these sorts of things Ontario is just not in the ball game with them.

In contrast to a 75 per cent increase in Alberta and a 100 per cent increase in Saskatchewan, Ontario has a 13 per cent increase in its

agricultural budget this year. Two years ago, in 1984, in a budget coming after one of the most serious recessions this province has ever faced, our leader, the member for St. Andrew-St. Patrick (Mr. Grossman), gave the Ministry of Agriculture and Food a 16 per cent increase. Here we have a situation where there is a whole new ball game in funding, Ontario farmers are under a pressure such as we have never seen before and the government responds with a 13 per cent increase.

Does the government have the money? Here is the Ontario budget which was presented by the Treasurer (Mr. Nixon). Looking down the revenues coming in to this government, and comparing our leader's last budget two years ago with the current one, this government has an inflow of revenues of more than \$5 billion more than we had two years ago. That is a revenue increase of 22 per cent because of increased taxes and a current buoyant economy. How many individuals, even members here, have 22 per cent more disposable income in their own personal budgets than they had two years ago? Or how many companies? The government has an economic windfall—not as a result of anything it has done—that has given it an inflow of revenue unparalleled by any government before. What is it doing with it?

Personal income tax is up by \$1.7 billion. That is not the total. It is up \$1,700 million, if members want it in millions instead of billions. I will go down through the whole list. There is corporate income tax, gasoline taxes, which the government pegged at the highest level ever, and on and on. Liquor Control Board of Ontario profits are up at \$93 million, and on it goes. Does it have the money? Bloody right it has the money. Where has it gone?

The Ministry of Agriculture and Food received an increase of \$54 million this year. The Ministry of Correctional Services received an increase of \$47 million, almost the same. The Ministry of Colleges and Universities is up by \$174 million. The Ministry of Housing is up by \$114 million.

The Ministry of Agriculture and Food is up \$54 million at a time when farmers in Ontario are being threatened in a way they have never been threatened before in the history of agriculture in this province. The Agricultural Council of Ontario has said that agriculture needs unprecedented funding. The Ontario Institute of Agrologists came out the day before yesterday and said, "Agriculture needs an influx of \$4 billion."

Our party has suggested that this government come up with a family farm security act that

would peg stabilization payments at 10 per cent above the current stabilization level to get the revenue into the farmers' hands, and to continue to expand the various interest rate assistance programs that are available to our farmers so they have some money in their pockets to compete with farmers from other jurisdictions. We cannot let our industry die only—and I repeat—only because this government is not supporting our agriculture to the same level as are other jurisdictions around the world. In the past year and a half Ontario farmers have fallen further behind those in other jurisdictions than they have ever done in the history of agriculture in this province.

Mr. Swart: I rise to support this resolution with considerable enthusiasm, not just because it comes from my colleague the member for Essex North (Mr. Hayes) but also because of the desperate need for the implementation of what my colleague proposes.

I am somewhat appalled that the Minister of Agriculture and Food is not in the House during this debate and at a time when the farmers are in the greatest crisis in which they have ever been. We have here a resolution which says that Ontario farmers should be treated the same as any other farmers in this nation. The minister is so indifferent that he does not even come into the House to listen to or to take part in the debate. I hope he hears this and will be in before the time is up.

It is important that we all, but in particular the Minister of Agriculture and Food, recognize the very serious financial situation that exists in the farming community. Part of the purpose of this resolution is to emphasize that. The simple fact is that the farm communities in this province have not participated in any way, or in any segment, in any recovery that may have taken place from the recession. I am sure those who are close to the farmers will agree with me. The situation of the farmers has continued to worsen while in some segments of the economy in this province it has improved.

11:40

The Ontario Federation of Agriculture documents this in a brief which I am sure all of us who are concerned about agriculture have read. At the very start of the brief, on the second page, it states:

"Agriculture's financial crisis lives on. Reviewing prospects for commodity and financial markets, Agriculture Canada estimated the number of farm operations in financial difficulty would double over the next two years."

It further states, "The proportion of financially stressed farms will hold constant in spite of the substantial exit of farmers from the industry."

What they are saying is that even though a great many of them will go broke and out of business, there will be others who are in jeopardy to take their place and the ones who are in jeopardy will not—

Mr. McGuigan: It is the grain sector that is in trouble.

Mr. Swart: I should not reply to interjections, but the sectors that are in the least financial difficulty are the ones that have supply management and have control over their prices. We know that. I will be saying a word or two about that a little later.

On page 12 of the OFA brief, the statistics are put in stark reality. It is pointed out that in the period 1966 to 1970, the return to the owner and equity in labour per dollar of gross farm income was 28 cents, which dropped to 18 cents in the 1981-85 period. Of course, interest on debt, inputs and other things had gone up very substantially.

What is not in this brief, but has to be regarded as equally serious, is the loss of equity to farmers. The price of farm land in many areas of this province has been cut in half; it has been cut even more than that in some places in eastern Ontario. What has happened is that equity, which to a large extent has been considered the farmers' pension over the years, has been wiped out and they are in a very desperate situation. It even has an impact on the preservation of food land, which is so important to our society.

I am not suggesting, as my colleague the member for Essex North did not suggest, that the fault is wholly attributable to provincial policies or, for that matter, to federal policies. We know that one of the major factors is the international market, with the international prices of grains and so on, but what is true is that the situation of the farmers in this province is worse because both the previous government, and to a substantial degree this government, have been far less supportive of our agricultural producers than other provincial governments in this nation.

The situation is so bad that the OFA devoted almost half of its brief to the matter of the inadequacy of the financial assistance programs in this province. As we know, it pointed out on pages 6 and 8 of the brief that, looking at all the provinces in Canada and government assistance to the agricultural industry province by province, Ontario is the lowest from the point of view of dollars per census farm. If one looks at it from the

point of view of the cents per dollar of farm production that comes in government assistance, Ontario is the lowest. If one looks at it from the point of view of government direct payments—not indirect payments—to producers as a percentage of cash farm receipts in the selected provinces, which are the five major agricultural producing provinces, Ontario is less than half of any of the others.

Therefore, it is very true that the farmers in this province cannot compete equally with the farmers elsewhere in this nation, because we now have a provincial government that continues a policy of the old one by providing substantially less assistance to the farmers than do the other provincial governments of this nation. That is a deplorable situation.

I was not here all the time the member for Kent-Elgin (Mr. McGuigan) was speaking. I am not sure whether he tried to show that these figures are wrong; if he did, I suggest to him the figures are correct. I am sure the member must be aware that the government of Canada, two or three years ago, also put out figures to show this. A wholly different investigation and research project came up with exactly the same conclusion.

One may be able to pick out some minor errors in this—something may not have been considered—but basically it is correct that the farmers in this province receive substantially less than those in the other provinces. In fact, they have the worst of all worlds, because although they get substantially less, there is applied against them, as well as against the rest of Canada, the countervailing duties of other nations.

Even though the Ontario farmers—I was going to use the words "are not guilty," but those are not the words I should use—even though the farmers here received a subsistence from the government, compared with the other provinces, they pay the same penalty. From that point of view alone, the government of this province ought to increase its assistance to the farmers.

It is an real injustice, and the farmers are very angry. The very first item they had in their brief, under their recommendations, was what my colleague the member for Essex North has in this resolution.

Mr. Speaker, I say to you and to the people of this House that the farm industry in this province must be kept viable, for the sake of the province and not just that of the farmers. It is estimated that there are seven people who hold jobs incidental to every person actually working on

the farm. We know what happened to the farm implement industry when the farmers' real income dropped substantially.

The farmers in Ontario deserve at least as good treatment as farmers in the other provinces. Surely no one in this House can vote against this resolution.

Mr. Speaker: The member for Haldimand-Norfolk. I remind the member he has up to eight minutes.

Mr. G. I. Miller: I too appreciate the opportunity of rising and speaking in support of the resolution that has been presented today by the member for Essex North. The timing of the resolution is fitting as far as the agricultural industry is concerned.

The comments of the member for Welland-Thorold (Mr. Swart) indicated that the Minister of Agriculture and Food is not here today. Speaking as parliamentary assistant, I assure him that the minister will be watching this debate and listening closely to the comments that are being made today in this Legislature dealing with such an important item in an industry that is the largest and most important in Ontario.

I point out to members of the third party that the first resolution they brought in indicates they do not understand the agricultural industry in Ontario all that well, because it dealt more at the federal level than at the provincial level. This resolution is more fitting; it deals with responsibilities directly under the control of this Legislature, and we can commend the member for that.

The official opposition has indicated that the government of the day is not supporting agriculture as strongly as it might, and I can agree with those comments to some extent. Certainly, I would like to see more money put into the programs. As I look back to the beginning of my 10 years in the Legislature, I recall that we tried to push the Minister of Agriculture and Food of that day to get more involved. The opposition members can accept some responsibilities for the position the farming community is in at present because of their lack of action going back to those earlier years.

11:50

I recall bringing in a resolution similar to this, I believe in 1984. It suggested we should have eight per cent interest when the interest rate was running as high as 22 per cent. The government of the day sat on its hands and watched the farmers get into the difficulties they are paying for at present.

However, I am not all doom and gloom. Agriculture can and will play an important role

for our young people of the future, our young farmers. There is some indication that is happening with the programs that have been put in place. The beginning farmer program was implemented by the now official opposition. I believe 2,340 loans have been applied for. Out of 35,000 full-time farmers in Ontario, that is an indication that they have some confidence in the future of agriculture.

The Ontario family farm interest rate reduction program has been a good program, much better than many that were in place over the past many years. We have seen more than 10,000 applications applying to utilize the OFFIRR program, which reduces the interest rate to eight per cent. I believe close to 10,000 have been approved, and it may well be more than 10,000 when the final count is in.

The member for Essex North indicated that some have not been able to qualify for that program. I agree with that. We have had complaints. However, the program was targeted to the full-time farmer and to make sure the average small farmer could stay in the business. Perhaps the program should be reviewed and adjusted. I suggest to the member that when the estimates for the Ministry of Agriculture and Food come before the Legislature will be an opportune time for the opposition to have input.

I will quote from the Ontario Federation of Agriculture when it met with cabinet last week:

"The OFA would like to commend the activity of the minister of agriculture and is in obvious support of the Premier, the Treasurer and cabinet for moving quickly on a number of issues important to the farm community. We recognize and support the initiatives the government has taken to date."

They list them, and the list is lengthy. Within the past couple of weeks the government announced a stabilization plan for potato producers, something that should have been put in place some time ago.

I do not want to let the federal government out of its responsibilities. We look at supportive programs in the United States and in the European Community. It is the federal government that has to play the strong role. Our federal government has committed \$1 billion to the agricultural industry of Canada. I assure the members of the Legislature that our ministry will be fighting for its share of that money to assist farmers in Ontario.

The Ontario Institute of Agrologists released a report as recently as October 21. I commend it for the work it has done in regard to agriculture. It

points out how important is the role the industry plays in our overall economy. It suggests the federal government should put in \$4 billion, not \$1 billion, to save the industry.

When we are looking at solutions to the problem, we have to be sure we are on solid footing when we subsidize. I think the farmer would rather have the cost of production. Under the Ontario Farm Products Marketing Board, the organized milk producers and the chicken producers are not getting the cost of production out of their products, which is what we should be striving to get. In the meantime, for a farmer to pay his debts, he has to have the dollars to do it. With corn on the market at less than \$1 a bushel at present—that is a Depression price—there is no way he can generate enough money to pay his interest rates, his taxes and the high cost of operating in the agriculture industry.

The Minister of Agriculture and Food is certainly aware of the situation, and with the co-operation of this House, he will be trying to stabilize the agriculture industry and make sure it gets the tools to work with, which are the dollars it requires to balance its budget.

Mr. Speaker: The member for Essex North reserved four minutes, and I believe that is the amount of time that is remaining. Does the member wish to—

Mr. Sheppard: Mr. Speaker, I would like to say that I support the member for Essex North on his resolution.

Mr. Speaker: Order. Member for Essex North, if you wish to—

Mr. Hayes: Just to show how easy we are to get along with, Mr. Speaker, I will give him one minute.

Mr. Sheppard: Fine. I thank my colleague. In 1984, the Treasurer himself promised that a Liberal administration would double its commitment to agriculture; yet in the 1986 spring budget there was a mere 13.3 per cent increase for agriculture overall.

I listened to the brief of the Ontario Federation of Agriculture on Tuesday morning, and I thought it was exaggerating a bit when it said the Liberal government had done all these things. It promised a lot of things, but it did not do all the things it was supposed to do.

I support my colleague the member for Essex North, and I hope this House supports this resolution.

Mr. Hayes: I will make a few minor comments. I know the member for Kent-Elgin may dispute some of the figures, and we can play

with figures all we want; but the fact is that Ontario gives less money to the farmers than other provinces in Canada do.

I agree with the member for Durham-York (Mr. Stevenson) when he says that sometimes the reason we are in this mess today is government involvement. That might be so, but because of government involvement, we must have a little more government involvement today to get us out of this mess.

Anyway, I appreciate the members supporting this motion, and I hope it does carry unanimously.

The member for Haldimand-Norfolk (Mr. G. I. Miller) mentioned my other resolution and said I did not understand much about agriculture. Perhaps I do not understand as much as some people do, but I am learning very quickly; and it is obvious to me that there are a lot of other politicians around here who do not understand agriculture very well today—or very well in the past either—or else we would not be in the mess we are in with agriculture.

I also notice—without any bitterness, of course—that the member for Timiskaming (Mr. Ramsay) has not appeared in the House today. He is a member who was always supposed to be so interested in agriculture for the people in the north. I thought he might have been here today. As a matter of fact, he supported the other resolution I had.

I do not have very much time, but my colleague the member for Ottawa Centre (Ms. Gigantes) has given me a copy of a very interesting article from the Ottawa Citizen. Its headline reads, “Farm Families Buckling under Stress: Divorce, Suicide Rates Climbing in Rural Areas.” It is very sad that a lot of this is happening.

One of the comments that was made by a fellow by the name of Mr. O’Brien was: “A farm couple used to have no reason to divorce. They used to get up together, went to the barn together and ate together. They never separated and never met anyone else. But now, for example, she often has to work in the city, and all her money goes to support the farm and she cannot even buy decent clothes for the kids.” This is the kind of situation we are in today.

Mr. Speaker: The member’s time has expired.

Mr. Hayes: Thank you very much.

Mr. Cousens: That was the best speech. He should be in cabinet.

Mr. McClellan: He will be.

Mr. Speaker: Order. If I might be permitted, because of the confusion that seemed to arise last week at this time, I would like to inform the member for York Centre (Mr. Cousens) that we are now prepared to vote on these resolutions and bills.

LIQUOR CONTROL AMENDMENT ACT

Mr. Speaker: Mr. Shymko has moved second reading of Bill 133.

Motion agreed to.

ASSISTANCE TO FARMERS

Mr. Speaker: Mr. Hayes has moved resolution 63.

Motion agreed to.

The House recessed at 12:01 p.m.

AFTERNOON SITTING

The House resumed at 2 p.m.

VISITORS

Mr. Speaker: I would like to inform all members of the House that today we are very fortunate to have a visiting group of parliamentarians from the Interparliamentary Association Canada-France. Mr. Geng and his colleagues are here. I would like you to join me in welcoming them. Bienvenue.

MEMBERS' STATEMENTS

TOBACCO TAX

Mr. Sterling: This afternoon this government will ask this Legislature to pass a piece of legislation that will encourage more young people in our province to become addicts of a harmful substance. The Department of National Health and Welfare has reported a dramatic 20 per cent increase in the daily smoking rate of those between 12 and 29 in Ontario in 1986 over the rate in 1985. In other provinces, the rate has dropped by 13 per cent; in each and every province the rate of smoking has dropped among our young people. This is a crisis since we know that 30 to 40 of these young people in this province will die each year in 20 to 30 years from now.

This is a new problem of this Liberal government. When our party was in power, fewer young people took up the habit of smoking each year, as a result of our persistence in keeping the taxation level at a consistent rate with the rate of inflation. Numerous studies have shown that the use of tobacco falls dramatically among our young people when the price of tobacco goes up. I ask the Treasurer (Mr. Nixon) to amend his bill to raise the tax and put that money aside for our tobacco farmers.

OCCUPATIONAL HEALTH AND SAFETY

Mr. Martel: I predict that the Minister of Labour (Mr. Wrye) will indicate he gave a cooked page 12 in his ministry report on Domtar because the health and safety committee at Domtar wanted time to review the problems identified in the report prepared by Dr. Chong and Dr. Haines.

It should be noted that the union representative on the health and safety committee was told that the plant could be closed if the matter of cleanup was pushed too hard, and the minister was aware

of that threat. The union was prepared to discuss matters, but was unaware that Dr. Muir and Normand Pellerin, a director of Domtar, were holding meetings to have the report rewritten.

I would like to quote from Dr. Muir in yesterday's Toronto Star: "Dr. Muir, a long-time consultant to the Workers' Compensation Board, said his goal is to preserve his program's credibility in the eyes of workers and employers, and that means avoiding advocacy on behalf on patients. 'I'm not willing to lose that neutral image] for myself or by association.'"

By agreeing to rewrite the report without the involvement and knowledge of the union, Dr. Muir was, according to any objective observer, taking the side of the company in this matter. Dr. Muir accepted the initial report based on the scientific analysis. I am told he asked the authors to moderate the tone of the report, not the conclusions. What promoted rewriting? I suspect two threats: a law suit against the ministry, as I am told in a letter, and the possible closing of the plant. This matter has to be investigated thoroughly.

MINISTRY HIRING

Mr. Haggerty: I would like to update the members of the Legislature on the employment practices of the Ministry of Government Services from January 17, 1986, to May 22, 1986. During that period, no new permanent positions were created at the Ministry of Government Services. In fact, 29 fewer positions were funded in the 1986-87 fiscal year than in the previous fiscal year.

The Ministry of Government Services has a staff of close to 3,000 employees. Of the 194 employees hired between January 17, 1986, and May 22, 1986, 75 were classified employees hired to replace staff that had retired or resigned. This is considered a normal turnover rate in a ministry of this size. One hundred and nineteen were unclassified employees hired on a temporary basis to provide short-term assistance to the ministry to ease heavy work loads.

A significant number of these jobs went to students for the summer period as part of the ministry's support of the Ontario government's student employment program.

NURSING HOMES

Mr. Cousens: A headline in today's Globe and Mail quotes the Premier (Mr. Peterson) as

saying, "Old People Need Less Food Than Others." The elderly of Ontario do not deserve this insult. To begin with, the statement is inaccurate. The elderly tend to need fewer calories but have an even greater need for high-quality, nutritious food. The elderly require more nutritious food, not less food.

The Premier's statement can indicate only one thing: a profound ignorance of the needs of the elderly, not to mention a callous insensitivity to their needs. As chairman of the Progressive Conservative task force on the elderly, I have become more aware of seniors' needs. Take Meals on Wheels, for example. Would the Premier want to reduce helpings? Does he want to categorize and stereotype seniors?

It is wrong to show such a shallow, callous disregard for seniors' needs now when the elderly are looking for new leadership and direction. We will remember the Premier shrugging his shoulders and saying, "They do not eat that much anyway." The Premier should beware when commenting on the eating habits of the populace. We all recall the fate of someone who proclaimed, "Qu'ils mangent de la brioche. Let them eat cake."

WISHART LIBRARY

Mr. Morin-Strom: I am pleased today to be able to honour a distinguished former member of this Legislature. Today in Sault Ste. Marie, the library of Algoma University College is being officially named the Wishart Library, a fitting tribute to a most distinguished citizen who has served the people of Sault Ste. Marie and the province well for many years.

Born in New Brunswick in 1903, Arthur Wishart got his law degree from Osgoode Hall Law School in 1930, practised in Windsor and Blind River, where he became the mayor as well, and then joined a law firm in Sault Ste. Marie in 1939. In 1963, he was elected member of the provincial parliament for Sault Ste. Marie. He entered the cabinet within a year as Attorney General under the John Robarts administration. He served in that senior cabinet portfolio for seven years and is credited with shepherding many important pieces of legislation, including the Legal Aid Act of 1966 and the Law Enforcement Compensation Act of 1967. After retiring from politics in 1971, he also served the province as chairman of the Criminal Injuries Compensation Board and later of the Commission on Election Contributions and Expenses.

Arthur Wishart has been a long-time advocate for Algoma University College and has served

for many years as a trustee on its governing board. The naming of the Wishart Library today pays fitting tribute to a distinguished citizen of my community and this province.

HUNGARIAN REVOLUTION

14:10

Mr. Morin: On behalf of the Premier, my colleagues and the government of Ontario, I rise for the purpose of recognizing an important event that took place on this date 30 years ago, on October 23, 1956. On this date, 3,000 students of the Technological University in Budapest began a peaceful protest for political reform which ended in an uprising to render Hungary free of the shackles of the Stalinist regime for the first time since 1947. The days of glorious freedom were not to last, however; two weeks later, on November 4, Soviet tanks rumbled into Budapest.

Today we cherish the memory of the valiant bravery of the Hungarian men and women who, against overwhelming odds, fought the occupation forces. On behalf of the Ontario government, I would like to pay tribute to the freedom fighters of 1956 and to Hungarians everywhere who lost a battle but won the admiration and respect of freedom-loving people everywhere.

I would like to recognize in the gallery Judge Steven Walters, vice-president of Hungarian Freedom Fighters and vice-president of the Hungarian-Canadian Federation.

Mr. Shymko: On a point of order, Mr. Speaker: In light of the fact that this statement on the anniversary of the Hungarian revolution is not made by a cabinet minister, some of us on this side would like to join in the remarks of the member for Carleton East. I would like to have the leave of the House to allow for that procedure.

Hon. Mr. Nixon : I certainly want to co-operate with the honourable member in marking this important event in every way possible. My colleague undertook to use his one minute and a half available during this procedure to bring that to the attention of the House. It seems to me the member for High Park-Swansea has equal access, but I am sure all of us will agree that this is an occasion when any member who wishes to contribute should have an opportunity to do so.

Mr. McClellan: My concern is that the minister who normally makes the statements marking these kinds of anniversaries appears to have given this statement to a private member for the private member to use the time allocated to

members' statements to make the statement. I thought we had worked out some way of marking important anniversaries, first with the minister making a statement and then with an opportunity for each of the opposition parties also to recognize the important day. The deviation in the procedure has made things a little awkward.

Mr. Speaker: It appears we are getting into a bit of debate. However, there has been a request by the member for High-Park Swansea. I will have to ask the House what its decision may be.

Hon. Mr. Nixon: We will support any reasonable statement.

Mr. Speaker: Order. I believe that was a 90-second statement. Does the House wish to allow any reasonable statement?

Agreed to.

Mr. Shymko: I want to join the member for Carleton East in his remarks on this very important day, important not only to the Hungarian community in Canada and the Hungarian people but to all freedom-loving peoples in the world. This marks the 30th anniversary of the Hungarian revolution of 1956.

On that day 30 years ago, thousands of university students in Budapest staged a demonstration of protest against an oppressive Communist regime. What began as a peaceful demonstration turned into a political uprising, leading to a series of political and social reforms moving the country towards democracy. On November 4, 12 days later, the revolution was suppressed when Soviet troops moved into Hungary, foreshadowing what would happen in Czechoslovakia several years later, and a new Communist government was put in place. In the aftermath of the revolution, several political activists were executed, among them, as we all recall, Imre Nagy, the leader of the Hungarian people, and 150,000 refugees fled to the west.

I want to remind the honourable members of the work of all the members of all parties of the Legislature of Ontario in those days when they joined the Honourable John Yaremko and the Honourable Allan Grossman in their efforts to settle these refugees in Canada. The members of this House can therefore all take pride today in the efforts of the then Premier Leslie Frost, who encouraged the federal government to open Canadian borders to 37,000 refugees, and in the work of former members of this Legislature who were involved in this.

Today we all join in remembrance of those who lost their lives as well in the struggle for liberty, human rights and freedom. We also

recognize October 23, 1956, as a historic milestone in a fight for the democracy that so many of us have come to take for granted.

Je voudrais conclure mes remarques, en présence des députés de l'Assemblée nationale de la République française, en rappelant, à tous, les principes sur lesquels fut fondée la République française, suivant la Révolution française. Ce sont les principes de liberté, d'égalité et de fraternité, principes de l'esprit humain qui donneront force à l'espoir et à la foi qu'un jour le peuple hongrois, autant que les peuples qui sont soumis à des régimes totalitaires, jouiront de la liberté politique, sociale et économique dont nous jouissons ici, au Canada, et dans le monde libre.

Mr. Laughren: Thirty years ago today, the Hungarian people expressed their profound unhappiness with their totalitarian government, and the Hungarian revolution began.

The Hungarian people were and are a courageous people. They wanted nothing more than the basic rights to which all freedom-loving people aspire. The Hungarian people were crushed and thousands were killed by Soviet forces armed to the teeth. The Soviet Union will, I suspect, never be able to erase from people's minds that picture of massive Russian tanks lumbering through the streets of Hungarian cities.

The revolution failed, but many thousands of Hungarian people left their homeland and emigrated to countries around the world. Canada was fortunate in having many of them choose this country as their new home. They have contributed mightily to Canadian life, and while they and their children are now committed Canadian citizens, the fires of Hungarian nationalism burn fiercely in their hearts.

I and my fellow New Democrats join with others in this assembly in remembering with sadness that day 30 years ago. We also pay tribute to the courage of the Hungarian people and assure them that we shall not forget either their courage or their cause.

Mr. Newman: I would like to read into the record the words of Joseph Cardinal Mindszenty in a statement made on October 23 quite a few years ago:

"There is no country which in the course of its thousands of years of history has suffered more than have the Hungarians. They have had to wage incessant struggles for their independence, mostly in defence of the western countries. These struggles interrupted the continuity of our devel-

opment, and we have had to rise again by our own efforts.

"In the course of history, this is the first occasion that Hungary has enjoyed the sympathy of all civilized nations. We are deeply moved by this, and every member of our small nation is joyous in his heart that because of our love for liberty, the nations have taken up its cause."

ARTS FUNDING

Ms. Fish: The Minister for Citizenship and Culture (Ms. Munro) will be supporting a deficit write-down to Stratford and other theatres that are running deficits.

The minister's attempt to support the arts is transparent for several reasons. In the course of providing the resources, she completely bypasses the Ontario Arts Council, which clearly should be making the decisions about which organizations should receive what form of funding and when.

It is worthy of note that a few short years ago, when other deficit write-down payments were required for those same theatre groups, the decision on the amount and the timing of any such payments was made entirely by the arts council. It was the arts council that was funded and asked to take those decisions. The council serves at arm's length from the minister and from the ministry and works on behalf of arts groups.

The real question is what resources will be provided for those like Shaw and others that have lived within fiscal restraint and not run deficits.

Mr. Bernier: On a point of privilege, Mr. Speaker: I want to bring to your attention the fact that the privileges of all the members of this House were abused today—in fact, this afternoon—when the Premier (Mr. Peterson) announced on CBC Radio the sale of the world-class recreational convention centre at Minaki Lodge. Surely he should have had the common decency to make this announcement in this House, because that is the way we do business here. This is the democratic way of doing business. He should be called before the bar of the House to explain.

Mr. Speaker: I listened very carefully, and I believe similar matters have been mentioned and brought up in this legislative chamber. As I recall, they have never been considered a point of privilege. However, I note your point of information.

14:22

STATEMENTS BY THE MINISTRY AND RESPONSES

OCCUPATIONAL HEALTH AND SAFETY

Hon. Mr. Wrye: Yesterday, certain allegations were made by my friend the member for

Sudbury East (Mr. Martel) regarding a report prepared by the McMaster occupational health clinic on the potential risk of cancer in certain Domtar workers because of exposure to coal tar pitch volatiles. I wish to remind my honourable friend that the report in question was commissioned by the two work place parties. The Ministry of Labour did not commission or arrange for the report.

In his presentation, the member made very specific assertions. His allegations of deliberate impropriety and unethical conduct in the preparation of this health report are a very serious matter. I view them with the utmost gravity.

As my friend is undoubtedly aware, this very issue has been brought to the attention of John Laskin. It is one of the nearly 70 cases he is investigating and upon which he will render his judgement as part of the independent, external review which he, along with Geoff McKenzie, has been instructed to undertake into the operation of the occupational health and safety division. To intervene at this time would compromise and prejudice the result of Mr. Laskin's thorough review on this matter. I would not want to do that, nor would the member wish me to do that.

However, my friend's allegations raise a more general issue. It is my view that one of the critical functions of government is to create an environment in which work place problems can be identified and resolved by those most directly affected. The Occupational Health and Safety Act provides the mechanism to achieve this goal. The internal responsibility system, of which the joint health and safety committee is an integral part, is fundamental to the functioning of the act. The internal responsibility system is predicated upon mutual responsibility for a safe, healthy work place that both parties share.

In this instance, neither of the work place parties expressed any reservations or doubts to me about the final report that was presented to the parties in April 1987. It is not up to the minister or his officials to go behind the concurrence, ostensible or otherwise, of the parties to a report prepared on their behalf, a copy of which is submitted to the ministry.

When coal tar pitch volatiles at Domtar became a public issue in the summer of 1985, I spoke to the local union leadership about releasing the report's findings. At that time, I was told in the strongest of terms not to intervene. The union urged me to leave all matters to the joint health and safety committee for resolution.

At no time prior to yesterday did the union express any disagreement to me or my officials with the contents of the medical report. For that matter, prior to yesterday, at no time did any of the examining physicians ever express to me or my officials disagreement with the contents of the medical report. If either of the work place parties had reservations over the contents of the report, it was their right—indeed, it was their obligation—to communicate those reservations to me or my officials.

With regard to the broader issue of health and safety in this province over the past 17 months, there is no area of my portfolio to which I have devoted greater energy. It is because of this government's unrelenting and unwavering commitment to health and safety that we have fostered a climate in which the work place parties now feel they can come forward with their concerns. Such constructive developments can only assist this government's resolve to develop the best occupational health and safety system in North America.

Mr. Gillies: The statement made by the Minister of Labour is a very serious matter. For the minister to fail to respond directly to the charges made by the member for Sudbury East is unacceptable and represents a dereliction of duty.

It is bad enough that the minister has had to launch an inquiry into the operations of the occupational health and safety branch of his own ministry, but it is doubly unacceptable that the minister then hides behind the inquiry whenever serious allegations in this area are raised in the House.

It is a very simple matter, as I understand it. The minister and his staff would have the capacity to determine whether it was medical report 1 or medical report 2, or whether it is 15 or 45 employees whose health is being adversely affected by the coal tar pitch. If the hundreds of employees of the ministry are not able to advise the minister on that, then there really is something wrong.

Mr. Martel: I cannot believe the response of the Minister of Labour. It is as usual. Can the minister tell me why I received a doctored report? He did not answer that. He did not answer why the report I received was different from that which went out. Why were the results of the survey not in the report I received? There are two reports there.

There are also two reports by McMaster: the one that was commissioned and the one that Muir rewrote. The minister has not answered that.

Muir rewrote the second report; he did not test one of the workers. According to yesterday's Toronto Star, he said the two doctors agreed with the findings. That is not true. The two doctors are Chong and Haines; they did not agree, and they would not sign the second report. Why in God's name did the minister accept a second report from those birds? There are 45 workers ill. He confuses the two reports. He makes it appear as though there are not two different reports. Why did he accept a second medical report that did not look at one of the workers?

To suggest that Laskin can get to the bottom of this issue is irresponsible on the minister's part, because Laskin cannot subpoena. He can go around and question a bit. The minister's friend Ham is looking into this in discussions with Muir. He has funded Muir and his outfit to the tune of \$300,000 a year. He is redoing reports, and the minister wants the internal responsibility system to work in conjunction with the company and with the union not even aware that it is going on.

The minister cannot hide behind this one any more. He is going to have to order a full public inquiry with the right to subpoena to get to the bottom of it. Nothing else will do.

MINAKI LODGE

Hon. Mr. Eakins: I wish to report on the progress this government is making to comply with the unanimous all-party recommendations of the standing committee on procedural affairs and agencies, boards and commissions with regard to Minaki Lodge.

In January 1986, the committee recommended "that the government not undertake major capital expenditures at Minaki" and that "the board of directors of Minaki Lodge Resort Ltd. make every effort to sell the company." The committee also recognized that the government of Ontario's capital investment could not form part of the purchase price.

Members of the committee further stated that "the Ontario government should not be in the hotel business." This was in recognition of the fact that, since the province acquired the lodge in 1974, the taxpayers of the province have absorbed operating and capital expenditures of approximately \$33 million.

Accordingly, I am pleased to inform members that we have agreed in principle to sell Minaki Lodge to Four Seasons Hotels Ltd. Final negotiations are continuing, and a fully documented agreement with Four Seasons is expected to be signed shortly. At that time I will make the

agreement public, together with all related information, including the process that led to its completion. The chairman and members of the board of directors of Minaki Lodge have fully supported this decision.

On the basis of the most recent estimates, the lodge as currently operated will not cover provincial costs for the foreseeable future. It would require an estimated additional investment by the province of approximately \$2 million to meet operating and maintenance requirements for the next five years. Four Seasons has indicated its intention to operate the lodge through a management agreement with the Elgin Group of Port Carling, which specializes in resort management.

Four Seasons is a purchaser of experience and stature. It is a Canadian company that manages 20 luxury hotels throughout Canada, the United States and the United Kingdom. Four Seasons and the Elgin Group are committed to maintaining the facility as a five-star destination resort hotel. We are persuaded that a sale at this time to this quality purchaser will be in the best short- and long-term interests of the taxpayers of Ontario and that Minaki Lodge will continue to provide important economic benefits to the tourism industry in northwestern Ontario.

Mr. Bernier: I stand in response to the announcement by the Minister of Tourism and Recreation with respect to the sale of Minaki Lodge and to reiterate my disgust and condemnation of the Premier (Mr. Peterson) for making the announcement on CBC Radio this afternoon.

I point out that the minister's statement is a very simple one. It has no details. It is an exact copy of the Urban Transportation Development Corp. exercise, where it plays down the cost of a facility and then goes on to continue negotiations. The government embarrasses itself and the taxpayers of this province. I point out to the minister that while the standing committee on procedural affairs and agencies, boards and commissions did recommend that Minaki be sold, it did not recommend that it should be given away.

As a member of the previous administration, which was involved with Minaki Lodge, I want to make it abundantly clear that we make no apologies for that public expenditure, none at all. It created 200 jobs. It brought \$7 million into the economy of northwestern Ontario. It is the tourist mecca of that area, and the minister knows it.

Minaki Lodge has operated for a mere three years. It is truly the tourism success story of this decade; there is no question about it. This is

proved by the fact that there were some 30 buyers on the long list wanting to purchase Minaki Lodge. The fact that Four Seasons, a Canadian company, was anxious to buy and operate Minaki Lodge is a true indication that it was a good investment for the people of this province.

ARTS FUNDING

Hon. Ms. Munro: I am pleased to rise today and announce a special one-time funding plan to ensure the long-term economic viability of Ontario's arts organizations. As far as the arts are concerned, our government's role is supportive. We work to remove obstacles and provide the environment for artists to thrive and imagination to flourish.

My ministry, through such programs as Investment in the Arts, encourages arts organizations to work towards self-sufficiency by raising funds from new sources in the private and corporate communities. Unfortunately, some groups are suffering from severe economic strain caused by substantial accumulated deficits.

One gains a real appreciation of the problem when one realizes that of the approximately 200 arts organizations with budgets greater than \$75,000, about 75 have deficits greater than five per cent of their total budget; 24 have deficits greater than 20 per cent. There are many reasons for these deficits. In most cases, total revenues have simply not kept pace with inflation, forcing groups to either cut back in programming or incur a deficit.

In addition, precarious financial situations make organizations particularly vulnerable to the vagaries of the marketplace. No cushion is in place to cover periodic shortfalls in earned revenue or money from fund-raising campaigns. This was evident during our recent recessionary period.

Often, arts organizations are not the only ones affected. In some cases, an arts organization is a major economic as well as social force in the community. The financial destabilization of such an organization has a very serious impact on the community in which it exists. This is especially true in small, medium-sized and northern communities such as Stratford and Thunder Bay.

Today, I am announcing a total of \$2.5 million in financial stabilization grants, which will go to a number of arts organizations across Ontario to help reduce their deficits. These one-time-only grants will include \$1 million to the Stratford Festival and \$500,000 to the Grand Theatre in London. Also included will be grants to other arts organizations with severe accumulated deficits.

Eligible organizations and grant amounts will be determined through a review of 1985-86 audited financial statements. These groups are clients of either my ministry or the Ontario Arts Council and have budgets in excess of \$75,000.

This money will be distributed by March 31, the end of the 1986-87 fiscal year.

My ministry intends that these financial stabilization grants will help maintain the integrity of endowment funds established by arts organizations through our Investment in the Arts program. In this program, my ministry matches one dollar for every dollar raised by the organization above its fund-raising base. If the dollar comes from a new corporate donor, we will match it two for one.

We consider Investment in the Arts to be the province's most effective means of addressing the arts community's endowment needs. Endowment funds are one of the best ways to address the long-term funding requirements of arts organizations. Their effectiveness can be maximized, however, only if the arts organization has a stable financial base in place, free from the pressures of excessive deficits. The financial stabilization grants announced today will allow new money to be more fully devoted to endowments.

In closing, this government is committed to the cultural, social and economic development of this province, and we consider the arts an important part of life in Ontario. Through these grants, I know these organizations will enrich our lives for many years to come.

Mrs. Marland: I find the statement by the Minister of Citizenship and Culture to be very interesting. It talks about this being a one-time-only grant to Stratford. She does not choose to tell the House that there has already been a previous deficit stabilization grant to Stratford, which was handled properly through the Ontario Arts Council, and which kept at credit the fact that the council operates at arm's length and is independent of the government. This whole process announced today will put at risk the entire arts community in terms of the confidence it has in grant funding from the government.

One other thing I find very ironical is that in her statement, the minister says the government considers investment in the arts to be the province's most effective means of addressing the arts community's funding needs. How interesting that is, following immediately on the heels of yesterday, when in this same Legislature the Treasurer (Mr. Nixon) refused to withdraw Bill 38 on the lottery funding, which provides at least some security for the arts community in this

province, and Bill 26, which again attacks the arts community through the 10 per cent amusement tax exemption.

Mr. Allen: In response to the statement by the Minister of Citizenship and Culture with regard to funding because of the instability of many of our arts organizations in the province, while this party supports additional moneys for the working artists and arts organizations of this province, we reject the method by which this is being done. It abuses the arm's-length policy that the Macaulay commission underlined as necessary in this field. The fundamental reason it is possible to do it in this way, and why it is sometimes necessary, is that the ministry still has not reached the objective of that commission and established national average levels of funding for the performing arts in this province.

That makes it possible for the minister to dangle those arts groups on a political patronage basis and to put organizations such as the Grand Theatre of London, which is a very respectable and eminent organization, in the invidious position of appearing to receive political patronage from the Premier (Mr. Peterson). It is an unfortunate development. Why does the minister not give the money to the Ontario Arts Council, do it at arm's length and get out of all this nonsense?

GAS UTILITIES

Hon. Mr. Kerrio: During the past two years, control of each of Ontario's three major gas utilities has changed hands. As a result, most of our gas utilities are members of extended corporate families.

The utilities have affiliates which produce oil and gas, and some subsidiaries conduct activities that are far removed from the gas distribution business. Changes in the control of our gas utilities can now occur at the holding company level rather than at the level of the utility itself. A recent example of this is the takeover by Gulf Canada of Hiram Walker Resources, the parent of Consumers' Gas.

In short, utility regulation has become more complicated as utilities and their owners have sought opportunities for diversifying their interests.

Diversification is an ordinary and necessary aspect of private sector business. Our natural gas distribution system in Ontario is mature, and our utilities will require smaller amounts of capital for system expansion. It is natural for these companies to seek opportunities to diversify. However, the government must ensure that

customers and the utilities themselves are not exposed to unnecessary and undesirable risks, particularly when companies are investing their earnings in peripheral or nonutility businesses.

With this in mind, on April 9, 1986, the Minister of Consumer and Commercial Relations and Minister of Financial Institutions (Mr. Kwinter) announced the government's intent to bring forward legislation to strengthen those parts of the Ontario Energy Board Act governing control and ownership of utilities.

Consistent with previously expressed concerns, the new legislation would introduce rules of conduct designed to further ensure that the public interest in natural gas price, service and reliability is protected. Using this picket-fence approach assures protection of the public interest, regardless of who owns or controls the utility.

In fulfilment of this commitment, I propose to introduce legislation later this afternoon to amend the Ontario Energy Board Act. These amendments will insulate gas utilities from the risks associated with nonutility activities.

The amendments will require nonutility investments as of April 9, 1986, and later, to be carried out in separate, nonsubsidiary corporations; require full disclosure of all transactions between utilities and their affiliates, to ensure fair market pricing for such transactions; require a majority of the directors of a utility to be independent of the utility's affiliates; and forbid a utility to advance funds to or guarantee the obligations of an affiliate.

Exemptions from the application of the first and last of these provisions will be available only with the approval of the Ontario Energy Board. No other exemptions are provided for.

In other words, we are encouraging the gas utilities to remain as utilities, not only to simplify the increasingly complex process of regulation but also to ensure maximum protection of the public interest with respect to the provision of utility services.

Changes in the direct ownership of gas utilities will continue to be subject to review by the Ontario Energy Board and to the prior approval of the Lieutenant Governor in Council. However, the review and approval process has been strengthened in two very important ways.

First, the amendments provide the Ontario Energy Board with specific criteria in reviewing applications for approval; these include the potential for non-arm's-length transactions, diversion of utility resources to nonutility business-

es and the likely impact on the cost and quality of service.

Second, provisions have been made whereby the Ontario Energy Board or the Lieutenant Governor in Council may attach terms and conditions to the approval of a nonutility investment or a change of direct ownership. Such terms and conditions will be legally binding on the applicant.

I might add that it is not the intention of this government to allow any exemptions from the requirement for a public hearing into a change of control of a gas utility. On the other hand, the Ontario Energy Board would have the authority to dispense with a hearing. First, the board must give public notice that, in its view, a hearing may not be necessary. After any submissions from the public have been received and considered, the board may then determine that a hearing is not needed.

In summary, the proposed amendments to the Ontario Energy Board Act, by prescribing a code of utility conduct, will protect the public interest in natural gas prices, service and reliability, regardless of who owns, controls or operates a gas utility. It will also permit maximum ease of transfer of utility shares, consistent with the protection of the public interest.

Mr. Charlton: I would like to take a few moments to respond to the statement by the Minister of Energy this afternoon on control of gas utilities. It is two years since my leader, my colleague the member for Welland-Thorold (Mr. Swart) and several other members of this caucus held a press conference dealing with this issue. The minister should be ashamed to have stood up here this afternoon and set out for us new legislation that will create exactly the same problems we tried to express two years ago to the then government.

The minister obviously does not understand the nature of the problem in terms of controlling the gas utilities and the funds in gas utilities. The exemption process in the existing legislation created the problem, not the legislation itself. The minister has turned around and set out four criteria, only two of which have teeth in them. Then we are told those are the two criteria that can be exempted by a hearing. A piece of legislation is being created with an identical flaw to the one in the legislation that is being replaced, and the system will not change one iota.

CONSUMER WEEK

Hon. Mr. Kwinter: I would like to take this opportunity to inform the members of the House

that October 25 to 31 is Consumer Week in Canada. In honour of this week, I am pleased to join with the Ontario branch of the Consumers' Association of Canada in proclaiming Consumer Week in Ontario.

In proclaiming Consumer Week, I would like to state that this province is fully committed to protecting the rights of Ontario consumers, and we have impressive and effective legislation to ensure those rights.

Consumer Week activities provide an opportunity for us all to become more aware of the important role played by well-informed consumers in Ontario's marketplace. It is also an opportunity to recognize the work of the Consumers' Association and, indeed, of all agencies that promote consumer education and awareness.

In proclaiming Consumer Week 1986, we encourage Ontarians to reflect on the benefits enjoyed by both business and consumers in a fair and equitable environment. My ministry is undertaking several activities in honour of Consumer Week, including the distribution of information and educational material throughout the province, and we are working in conjunction with the Consumers' Association of Canada to further promote consumer awareness through poster campaigns and library displays.

As part of our celebration, I am pleased to provide all members of the House with a copy of our 1987-88 consumer tips calendar. These will be delivered to the members' offices today.

Mr. Runciman: I commend the minister—I do not do this frequently—for Consumer Week. It is an excellent move, and I encourage him. I hope he has not brought in the member for York South (Mr. Rae) to select the calendars for the week. The member is well known, as we all are aware, in terms of pricing calendars. I would hate to see that occur. In any event, my congratulations to the minister.

14:51

ORAL QUESTIONS

PAY EQUITY LEGISLATION

Ms. Fish: In view of the absence of the Premier (Mr. Peterson) and the Attorney General (Hon. Mr. Scott), who is the minister responsible for women's issues, I will direct my question to the government House leader.

We note that once again we have been treated to a full and complete report in the news media of the government's intentions on policy prior to a statement or anything being tabled in this House.

Can the government House leader confirm that it is the government's intention to bring in a

purported pay equity bill for the private sector that will have the effect of eliminating from pay equity some 68 per cent of all the private firms in this province and that because a gender predominance requirement will remove from the protection of pay equity those women in the social sciences, where there are only 52 per cent women; in teaching, where there are 59 per cent women; in sales, where it is 40 per cent women; and those in recreational occupations, where it is 39 per cent and—

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Nixon: The honourable member will know that the pay equity bill for the public sector is currently being considered in committee.

The Attorney General, the minister responsible for women's issues, has said, I believe in the House but certainly publicly, that he hopes to introduce a bill for the private sector before the end of the calendar year. My own hope is that it will come in November. Whether the House chooses to proceed with putting both bills in committee or how it wants to deal with them is to be decided by the government and by the House itself.

I can assure the member who asked the question that when the bill is made public, she will see that it treats women in a fair and equitable manner, in a most progressive manner indeed. We hope that when the bill is introduced, it will receive support on all sides.

Mr. Gillies: Does the government House leader not see that if this leaked report is accurate, the government is making a farce of not only its election promise but also the work that is being done in the standing committee on administration of justice? Will he not agree that it is clear that it is going to put the broad public sector into a toothless bill that will not take effect until the 1990s? Will the minister confirm that it is obvious the government strategy is that once the opposition parties have finished amending Bill 105, it will be withdrawn?

Hon. Mr. Nixon: I think the honourable member is referring to the Goldstein column in the Toronto Sun. I am not in a position to say how accurate it is. I know he is a very good reporter and would not knowingly put forward anything that was in any way misrepresentative. I am not in a position to say whether it accurately reflects the provisions of the bill.

I do know that the bill is being worked on by a number of ministers and a number of people in at least two ministries. From time to time it will be

reviewed by cabinet committee. The honourable member, from his own experience, knows that is true.

We are not close to introducing it as yet. I am sure the member will find, when it does receive the approval of cabinet and my colleagues' caucus and is introduced for his consideration, that it will represent fairness, justice and equity, as I have already indicated.

Ms. Fish: I find it incredible that the government House leader is unable to confirm the report that is in the *Toronto Sun*. We were able to confirm it with very little problem and find ourselves now in receipt of a copy that we believe must have formed the basis of the article. The copy will show, and I ask the government House leader to confirm, that the format that would provide and require comparisons to occur only within one establishment will mean that child care workers and health care workers, predominantly 92 per cent and 98 per cent women, respectively, will be totally excluded from this sham the government intends to introduce.

Hon. Mr. Nixon: I hate to see the honourable member work herself up into such a frenzy of outrage over some report in the morning press. She may have also received a copy of a document from some source, but I can assure the House that the member, who has had extensive experience in the ministry herself, must be aware the legislation is not nearly ready for presentation. I expect it will not be put into the House for at least a month or perhaps two months—

Mr. Gillies: Sure. It is ready right here.

Hon. Mr. Nixon: The legislation is not ready for presentation, not nearly ready. It is being reviewed by the Minister of Labour (Mr. Wrye) and others, and these matters will result in legislation that we will be honoured and delighted to present to the House when we are ready.

TARIFFS ON SOFTWOOD LUMBER

Mr. Harris: My question is for the Minister of Industry, Trade and Technology, now that we have our first casualty of the softwood lumber fiasco, the decision handed down last week.

A story in today's *Thunder Bay Chronicle-Journal* states: "Northern Wood Preservers and Great West Timber will be laying off 100 workers on November 3 unless their US customers absorb the 15 per cent increase." The minister knows this will be devastating to the region. He knows this is a region that has been hit by massive layoffs and a general economic slowdown already.

It was the minister's ineptness and mismanagement that caused this ridiculous ruling. What is he going to do now to assist the 100 workers of Northern Wood Preservers and Great West Timber in Thunder Bay?

Hon. Mr. O'Neil: As the honourable member is aware, the layoffs have indeed resulted because of the 15 per cent tax that was put on. Of course, as we have stated in the House during the past couple of days, we will work very closely with the federal government, the other provinces and the industry to push this case ahead as quickly as we can and see that we win it.

Mr. Harris: In the meantime, the minister will do nothing for the 100 workers. Other protectionist measures are being considered by the US at this time that he surely knows will have severe repercussions on industry in Ontario. The Premier (Mr. Peterson) showed his lack of knowledge on these issues when he was asked a question on Tuesday about the Heinz-Murtha bill. For the minister's information, so he can rest a little easier for a day, it has died on the order paper—for now; that is the status of the bill.

The bill proposes to place quotas on steel imports and to limit Canada to 2.4 per cent of the US market. Canada currently has 3.3 per cent; so it is about a 33.3 per cent reduction of that market share. The minister knows this will cost hundreds of millions of dollars in sales. He knows it will result in significant job losses in Sault Ste. Marie and Hamilton. We know the Premier did not even know about it. What action has the minister taken to try to prevent this bill from becoming law?

Hon. Mr. O'Neil: First, on a—
Interjections.

Mr. Speaker: Order. We will just wait. If you want to waste the time of many of the members, that is fine with me. I will wait.

Hon. Mr. O'Neil: First, to clear up a little point for the member and for the Leader of the Opposition (Mr. Grossman), it is not the Heinz-Murtha bill. Those are two separate bills. Senator Heinz introduced one of the bills in the Senate, and the other was introduced by Mr. Murtha in the House of Representatives. Thus, it is not one bill; there are two bills, and they did indeed die on the order paper. We feel that Ontario especially is a very fair trader in the steel industry, and we hope it will not affect the steel industry.

15:00

Mr. Harris: Some people have said this move will probably spell the end for a number of workers in the steel industry.

Those two gentlemen working together introduced the bill simultaneously. That is how it works in the United States. It is a joint activity. If the minister understood how things worked in the United States, he would know that is the way one puts forward a bill in the two Houses. He still does not seem to understand how things operate in the US.

The US has passed a law that will put in place new standards for licensing commercial bus and truck drivers. Canadian firms which haul goods to the United States, more than 600 of them, will be affected by the changes through the cost of putting drivers through new licensing procedures, which the minister knows, or should know, will be costly and complicated. Kenneth Maclaren, executive director of the Canadian Trucking Association, has said this move will probably spell the end for a number of Canadian operators. I would like to know whether the minister was aware and, if he was aware, what action was taken by him to prevent these changes from impacting in Ontario.

Hon. Mr. O'Neil: This is just one in a series of several things that have been of great concern to the government and all members of the House, not only the steel that the member talks about, not only the licensing, not only the lumber, but also the surtax. There has been a lot of activity in the United States because of the elections coming up. A lot of these bills have died on the order paper. We hope the United States, the House of Representatives and Senate, will have good sense and will not reintroduce those bills.

Interjection.

Mr. Harris: Why do you not ask a question if you want to talk?

Mr. Gillies: Maybe you can ask him that.

Mr. Speaker: Is there anything wrong with the member for Nipissing (Mr. Harris) or the member for Brantford (Mr. Gillies)?

NURSING HOMES

Mr. Rae: I wanted to ask the Premier personally some questions about the level of care being provided to our senior citizens in nursing homes and about his comment yesterday that older people need less food than other people, which he apparently made in the scrum outside the Legislature in response to certain questions.

I would like to ask the Minister of Health, given the fact that even the municipally run homes for the aged in Metropolitan Toronto spend upward of \$3.85 per day per resident—and that is moving to \$4 in January—is it the official

position of the government or is it the position of any member of the government that older people who live in nursing homes somehow need less food than older people who live in homes for the aged?

Hon. Mr. Elston: I think one of the things the honourable gentleman would want to do, and we are doing this now, is to compare what the numbers being quoted represent in terms of costs to the facilities. It seems to me we must be aware of whether one number is representative of the total complement of services rolled into the expense of providing service. I am looking into those comparative numbers so that I can advise people more fully later on.

I presume the honourable member has in his hand today a copy of the article which appeared in one of the local newspapers. It indicated, for instance, that in some facilities special diets are ordered and received, which obviously adds to the cost of service provided for individuals in those institutions, particularly when it comes to hospitals. It seems to me that we need to examine the components of each of those numbers quoted, which we will do.

I can tell the member that, no matter what has been said, all of us on this side of the House, as, I am sure, all of us here in this House, are committed to ensuring good quality of care in our institutions for seniors, and not only for seniors but for all people in our institutions.

Mr. Rae: Let the record show that in response to this report two things happened. First, the Minister of Health suppressed it for six months and did nothing about any of its major recommendations, not a thing. Second, the Premier went outside this House and made a fatuous remark about the needs of older people and the kind of food they ought to be able to eat in an institution in Ontario. Those are two things this government has done, and now the minister stands up and justifies what his own complaints committee says cannot be justified.

The Crittenden report says: "The most frequent type of complaints received during our informal visits were concerned with meals. Repeatedly, residents complained that food is unappetizing, served poorly and cold, and presented in an unfriendly, hurried way. Indeed, the committee agrees. Mealtime in nursing homes does leave much to be desired. Yet, according to many residents, mealtime is the highlight of the day."

The report then goes on to document the dollar figures and says that nobody, no matter how much bulk buying is done, can possibly feed

people adequately on \$2.10 a day. Given those facts, why did the minister suppress this report for six months?

Hon. Mr. Elston: I did not suppress the report for six months. The member knows when he quotes \$2.10, that was one facility about which the committee reported. I understand there is an interview with one of the members of that committee in the newspaper today, and he said he was happy to report that there was a good quality of service in the homes. Lest there be some concern that we do not monitor and take into consideration the menus and nutrition provided, each home has a nutritionist, and we inspect and look at the food that is served.

That does not mean there are not variations in standards, and we look at those very quickly. I will be very interested in the examples the member wants to provide to me, so we can check the system. That is the way our system performs at this time. We check and look at the complaints received. This report is useful for all of us. It highlights for many of us the need to examine the manner in which our system operates, so we can make it better.

Mr. Rae: If the report was so useful to the province, why did the minister keep it a secret for six months? Why did he suppress it within his own ministry? Why did he not make it public? If so much good is going on, why did even this committee appointed by the Conservatives make nine specific recommendations with respect to meals, on which the ministry has not acted?

The Premier made the fatuous and quite disgraceful comment that the dietary needs of older people are somehow less than those of other people in our society. Most people in this House will reject completely and utterly that comment being made about the needs of older people.

One of the key recommendations of the report is that developmentally handicapped people should not be kept in private nursing homes, but more than 2,000 still are. The report is very critical of the programs there and says this group is not receiving the same stimulation and programming in a nursing home that it should be receiving.

What does the minister intend to do about the needs of the developmentally handicapped who are still in private nursing homes? Will he do anything for them? Is it the position of the government that developmentally handicapped people have less dietary needs than others?

Hon. Mr. Elston: It seems to me the honourable gentleman likes to ask questions and then answer them for himself, attributing to me

statements that were not made. I did not condone \$2.10; I do not condone any number. This gentleman never heard me say that. We are concerned when reports like that indicate that there is a low level of support for the people in nursing homes. That is the essence of that report, and we are concerned that the quality of life in these homes be elevated.

With respect to the primary part of the member's supplementary question, the fact that there are developmentally handicapped people in the nursing home system has been a concern for as long as I have been here and even predated our move into the role of government. My colleague the Minister of Community and Social Services (Mr. Sweeney) and I have met often to make moves that will do a great deal to improve the programming provided for those individuals. I recognize, as everybody does, that these people need better programming. We are committed to ensuring that better programming be provided for people who now find themselves in those facilities.

15:10

PAY EQUITY LEGISLATION

Mr. Rae: In the absence of the Attorney General (Mr. Scott), I would like to ask a question of the Treasurer. So he can focus, it has to do with the question of equal pay.

Can the Treasurer explain the bizarre congruence, the overlap, if you will, between the recommendation of the National Citizens' Coalition on May 15, 1986, which recommended that the government announce a five-year moratorium on the implementation of pay discrimination in Ontario's private sector, and the report of the cabinet document that we saw in today's Toronto Sun, which indicated that the private sector would not be expected to comply by law or by means of any kind of enforcement mechanism until the beginning of the 1990s?

Hon. Mr. Nixon: The honourable member should not confuse what he receives in a brown envelope or even what he reads in the Toronto Sun with government policy.

Mr. Davis: What about the Star?

Hon. Mr. Nixon: That is a different matter.

The policy has been under constant review since we first envisaged the concept of pay equity many years ago and we have been developing this, as the member will know. We think our policy will be as good or better than in any other jurisdiction that has moved in the pay equity field.

We are not ready to present it to the House, and we have not indicated that we would, for another month. A good deal of work is going forward, and we hope the member will greet the bill with enthusiasm when it is introduced.

Mr. Rae: I did not hear an answer to my question. The Treasurer is adamantly defending a bill, which he apparently has seen, and he has then told us not to believe press reports.

Until the Treasurer gives us a bill, we are going to deal with the documents that are before us, whether they are in the press or come by way of a brown paper envelope, and he is going to be expected to answer for that, because he is not giving us the legislation. In fact, he is obstructing the introduction of legislation into the House. He is preventing it from coming forward. He is making it impossible for us to be able even to debate it. Can the Treasurer not explain the overlap between the policy of the Liberal cabinet and that of the National Citizens' Coalition?

Mr. McClellan: They are both from London.

Mr. Rae: We have an increasing ease in explaining and understanding that overlap. We observed it for the past 42 years, and it appears the Liberals are following the same pattern.

Can the Treasurer explain the peculiar overlap with the statement of the Canadian Manufacturers' Association, Ontario division, in March 1986, which said there should be a minimum four-year phase-in period before complaints would be allowed? Why were the demands of countless women's groups across this province turned off and denied and the demands of the Canadian Manufacturers' Association—

Mr. Speaker: Order.

Hon. Mr. Nixon: I cannot recall ever agreeing with the National Citizens' Coalition, but there may have been some instances when I did personally. That the leader of the third party sees some overlap is mostly a function of his having too many researchers around reading old documents rather than information of any significance.

Ms. Gigantes: Are we to understand from what the Treasurer is saying and what we have read that his concept of equity in this question is that it is fair and it is just that 50 per cent of women are covered and the other 50 per cent are not?

Hon. Mr. Nixon: To go to an indication in the previous question, I do not believe that a bill in draft form exists. It may. I know that many research papers and proposals are available. I really do not know what has been conveyed to the

honourable member and her colleagues and to the reporters around town. I think that is significant. However, I am not going to comment on that other than to say that intensive and effective work is going forward in the preparation of world-class legislation, which I am sure the honourable member will be delighted to support.

PRIVACY RIGHTS

Ms. Fish: My question is for the Minister of Transportation and Communications. Will the minister detail for this House what security precautions his ministry has in place to protect the privacy of information collected on the automobile owners of this province?

Hon. Mr. Fulton: The member is aware that certain agencies, insurance companies, lawyers, and at certain times private citizens, can obtain a certain piece of information under the legislation, certainly not the kind of information that was alleged in the House yesterday. As I mentioned yesterday, perhaps outside of the House, because of that incident, we are going to take a look at whether or not the existing legislation needs to be tightened up so it is not used in any frivolous or harmful way.

Ms. Fish: I bring to the minister's attention the fact that this morning we gave the ministry two plate numbers, \$5, and the time it took to fill in a form this long. We received extensive information and the names and addresses of single women in Toronto. At no time were we asked why we wanted this information and at no time were we asked for any identification of ourselves.

I am extremely alarmed by the potential abuse of such availability of information. Will the minister today instruct that such information not be available under those circumstances?

Hon. Mr. Fulton: I certainly share the member's concern for any abuse or misuse of any of that kind of information. We have stated that it is now available and it is available under the legislation passed by the previous government. I stated yesterday and I have stated again today that I am directing my staff to look at how that may be or should be tightened up.

Interjections.

Mr. Speaker: Is it too much to ask that you allow other members to ask questions?

LEAD LEVELS

Mr. Reville: In the absence of the Minister of the Environment (Mr. Bradley) and the Premier

(Mr. Peterson), I will direct my question to the Treasurer of Ontario.

Yesterday the Ministry of the Environment finally released the results of the soil testing in south Riverdale. Those results are absolutely devastating. Of the properties tested, 93 per cent show lead contamination that is a danger to the lives of our citizens. Will the Treasurer now commit funds to replace the soil and start protecting the health of our children in south Riverdale?

Hon. Mr. Nixon: I bring to the attention of the members the fact that the Minister of the Environment is in St. Catharines attending the funeral of Mr. Welch, Senior, the father of Bob Welch. I know we extend our sympathy to the Welch family. When the minister was leaving, he indicated by a note that a question of this important nature might be raised. I really feel it would be more appropriate if he answered himself. He simply wanted me to convey to the House that he was concerned about the report and he is looking into it very carefully.

The specific question deals with my responsibility in providing funds. The member knows the Treasury, with the concurrence of members of the cabinet, has provided funds for a number of environmental programs and initiatives. We have done so with enthusiasm, alacrity and generosity.

Mr. Reville: There may be some question about the alacrity. May I remind the House that the elder statesman from Brant-Oxford-Norfolk six days short of 13 years ago in this very chamber, when he was Leader of the Opposition, joined with my predecessor, the late Jim Renwick, in climbing all over the government of the day on the matter of lead in south Riverdale.

Is the Treasurer—

Interjections.

Mr. Speaker: Order. There is a supplementary question coming.

Mr. Reville: Is the Treasurer prepared to say to the House and to Ms. Maureen McDonnell, who is here in the gallery, has three children and lives in south Riverdale, that the Minister of the Environment is looking at it?

Hon. Mr. Nixon: I know the honourable member, being a reasonable man, will not expect me to make a commitment on the basis of my knowledge of the matter as it is currently put forward in the most recent report. I have indicated that the minister has conveyed to me his concern and the active attention of his ministry.

In direct response to the member's question to the Treasurer, appropriate financing will be made available for all these approved environmental operations.

15:20

PROPERTY REASSESSMENT

Mr. Polsinelli: As the Minister of Revenue is aware, assessment values in what is now Metropolitan Toronto have remained unchanged for at least 40 years. This has resulted in grave inequities in the collection of property taxes. Thousands of Metro Toronto home owners are paying much more than their fair share. Given that the previous government did not have the political will to correct these inequities, will the Treasurer and Minister of Revenue please advise us of his position on the issue?

Hon. Mr. Nixon: When it comes to reassessment, the political will is variable, and that is recognizable. The honourable member will be interested to know, and I think is aware, that the Ministry of Revenue prepared a report on market value assessment and reassessment under the chairmanship of my colleague the member for Waterloo North (Mr. Epp), who is not in the House today.

This report gave some leadership to the cities of Metropolitan Toronto to consider whether they wanted to proceed with Metro-wide reassessment or some other variation. They gave this very careful consideration in spite of threats from irresponsible oppositionists that market value reassessment would lead to blood in the gutters. I think that is the exact phrase. Still, it was given serious consideration.

I regret to inform the House of something it already knows, that the Metropolitan Toronto council decided not to proceed. The member knows it did undertake to review the original decision. That review comes forward in the next few days. I believe the executive committee has decided that if it is going to be done, it must be done at the initiative of the provincial government.

We undoubtedly have the right to bring a bill before the Legislature empowering reassessment to take place on a Metro-wide basis. I do not intend to avail myself of that power at this time, because I feel the responsibility lies with the cities and the Metropolitan Toronto council.

Mr. Polsinelli: The 1980 report on the impact of market value assessment, which was released by our government shortly after taking office in 1986, shows that more than 80 per cent of the home owners in my riding would receive a tax

reduction. Owners of some single-family homes in my riding worth \$100,000 are paying as much in property taxes as the owners of some properties worth \$400,000 in the Yonge and Sheppard area.

It appears that the Metropolitan Toronto council, while recognizing the need for market value reassessment, is abdicating its responsibility in this regard. Knowing the minister's concern for fair taxation in this province, can he assure this House today that at some point within the foreseeable future tax reform will occur in this municipality?

Hon. Mr. Nixon: The answer, of course, is yes, it will eventually occur. The honourable members know that many scores of municipalities, recognizing that inadequate assessment is leading to unfair taxation, have requested reassessment under section 63. As a matter of fact, all the municipalities in Brant county did this over the past year. I had the honour as Minister of Revenue to approve that reassessment. There were certain dislocations, pressures and tensions resulting from that, which tend to be subsiding, I am pleased to inform the members.

Some fairly major municipalities, some very large cities, have gone forward with reassessment. I think Mississauga is the largest. This was not a simple decision to be made by the mayor and council, and the reassessment there presented some difficulties. Once again I believe it was the right and politically courageous thing to do, and it was done properly at the behest of the locally elected council.

My advice to the councils of the cities of Metropolitan Toronto is that they should recognize their responsibilities and request reassessment, which we would be glad to proceed with as soon as we possibly could.

MINAKI LODGE

Mr. Rowe: I have a question for the Minister of Tourism and Recreation and fast sales concerning the supposed sale of Minaki Lodge, which is beginning to look like another mismanaged deal similar to the Urban Transportation Development Corp. one. Can the minister tell this House why today he would announce the sale in principle of a crown-owned resort before any agreement is signed, and in announcing the sale talk about all the funds Minaki will require to maintain it in the future?

Hon. Mr. Eakins: This is a progress report today and this assembly is the place for it. It is in this assembly that we should report on such agencies as Minaki Lodge. Those people have a

very short memory. When they announced Deerpark, they went up into Muskoka; they did not announce it in this House. That is why we are announcing it here today.

Interjections.

Mr. Speaker: Order. I am listening very carefully. It is very constructive.

Mr. Rowe: We on this side of the House do not apologize for keeping people employed in northwestern Ontario in a huge tourist investment, the best in the world.

Since he is in charge of announcing this deal, can the minister tell this House how much the Ontario taxpayers will receive for Minaki and what studies the government has done to establish the market price for Minaki, or has it simply jumped the gun again and stands to blow another deal?

Hon. Mr. Eakins: What I have announced today is an agreement in principle. As I mentioned to the honourable member, the full details will be released in the House, not outside the House. The member's leader goes up to northern Ontario and talks about Minaki Lodge and then comes down to the Toronto area and says it is going to hurt him. He has two stories on that, and we have one. We will make our decisions right here in the House.

SALE OF PAPER MILL

Mr. Rae: In view of the absence of the Premier and Minister of Northern Development and Mines (Mr. Peterson), I have a question for the Minister of Natural Resources. It concerns a petition I have received that has been signed by more than 1,400 people who live in Smooth Rock Falls, Moonbeam and Fauquier. They are all employees of the mill in Smooth Rock Falls, and they have some very specific questions for the government that the government has been unable to answer.

My initial question to the Minister of Natural Resources is this: Since the deal to sell the mill from Abitibi-Price to Mallette took place at the end of August, why has it been impossible for the Minister of Northern Development and Mines even to meet with the workers to talk about their concerns relating to the shutdown of that mill? Why has it been impossible to arrange that kind of meeting? Why is he himself declining to meet directly with the employees—as I understand it and according to the information they have received—and the Mallette Waferboard Corp. to discuss the deal that is going ahead as of December 1?

Hon. Mr. Kerrio: I am pleased to respond to the leader of the third party that I am prepared to meet at any time with the workers at Smooth Rock Falls. I can honestly say I have not been asked. If there has been some problem in communication, I am very much prepared to meet with them at any time we can arrange such a meeting.

15:30

Mr. Laughren: That is a very strange response, given the fact that only this morning the minister's deputy refused to have the minister meet with the Canadian Paperworkers Union over this dispute.

Further, the minister surely knows that on September 22, the Premier told the union that no deal would be signed and no cutting rights would be transferred until this minister had thoroughly investigated the whole question, because there is a very real concern that the pulp mill will be shut down, as the stud mill has already been.

Will the minister guarantee us that the cutting limits will be tied to the pulp mill and the stud mill in Smooth Rock Falls so that there is a guarantee of some kind of economic future for Smooth Rock Falls?

Hon. Mr. Kerrio: I am not prepared to accept that I was asked to meet with these gentlemen, but I will make the comment and the promise here and now that I will meet with them on very short notice and go into the questions the member raises with me. I am very much prepared to meet as quickly as we can.

COLLEGES OF APPLIED ARTS AND TECHNOLOGY

Ms. Hart: My question is to the Minister of Colleges and Universities. I have been speaking recently with some of the students, faculty and staff of Centennial College, which is in my riding of York East. They are interested in knowing what has happened to the Pitman report of last June and what actions the minister proposes to take in relation to that report.

Hon. Mr. Sorbara: It is interesting that my colleague the member for York East should ask that question. It gives me an opportunity to respond to the very same question my friend the member for Scarborough-Ellesmere (Mr. Warner) will be asking me in a few short minutes in estimates.

Walter Pitman submitted a report to me on governance within the community colleges; that was towards the end of July. I invited the entire community, including staff, students, faculty members, presidents and boards of governors, to

respond by September 30. We have all those responses now, and we are proceeding towards articulating our final determinations on the changes we are going to make in governance.

I simply want to advise the member that we are not going to proceed on Mr. Pitman's advice with respect to the Council of Regents. He suggested the disbandment of the Council of Regents and the creation of three separate advisory bodies. However, he did give some very sound advice with respect to internal representation on college boards from within the community of the colleges, and we are proceeding to follow up how we can implement those recommendations in practice.

Ms. Hart: The Centennial College community is particularly interested in seeing broader representation on the board of governors of the college, perhaps using the university model. Does the minister propose to make any changes in this regard?

Mr. Warner: The answer is no.

Hon. Mr. Sorbara: Mr. Speaker, you probably heard the comments of the member for Scarborough-Ellesmere, as if somehow that party has a monopoly on democracy. The answer—

Mr. Warner: No; just the information.

Hon. Mr. Sorbara: That is the approach of the member for Scarborough-Ellesmere.

The answer is that we are going to be making changes. I cannot tell my friend the member for York East exactly how we are going to structure internal representation on boards of governors, but we are going to be proceeding in a direction that I think not only those who have a monopoly on democracy across the House but everyone in this House will be glad to see.

Hon. Mr. Kerrio: Mr. Speaker, on a point of order—

Mr. Speaker: A point of order?

Hon. Mr. Kerrio: Yes. It is an important point of order.

Mr. Speaker: What could be—try me for a point of order.

Hon. Mr. Kerrio: May I try it?

Mr. McClellan: There is nothing out of order.

Mr. Speaker: I do not know whether it is a point of order until I hear it.

Hon. Mr. Kerrio: On a point of order, Mr. Speaker: The Minister of Labour (Mr. Wrye) has agreed to meet with the workers at 4:30 p.m., and I shall be at the meeting. It is important.

Mr. Speaker: That is not a point of order; that is a point of information.

BRUCE PENINSULA NATIONAL PARK

Mr. Bernier: I have a question for the Minister of Natural Resources. Can the minister tell this House how he rationalized the unprecedented giveaway of the Fathom Five and Cypress Lake provincial parks on the Bruce Peninsula, an area totalling some 17,000 acres of land, plus the facilities, whose total estimated value is \$8.5 million? For this we are told the province will get a national park, which will eliminate hunting, trapping and fish management within its borders. How can the minister rationalize this giveaway?

Hon. Mr. Kerrio: I can rationalize it in a way that it is going to please many hundreds of people in the future. We all know it is with wonderment that we think of the people who years ago set aside very important national parks for the people of Canada to enjoy. We are participating now in such a park in the Bruce Peninsula within the bounds of Ontario.

While the honourable member makes a reasonable point about the hunting and fishing, we rationalize this by taking away some of the areas that were to be included in the original size of the park so that the historical uses in some of those areas will continue.

In the overall picture, to have a national park in the Bruce Peninsula is something that has been accepted by the municipalities and the people of the area to a great degree.

Mr. Bernier: That is a very weak response, I must say. I ask the minister: In this unprecedented giveaway, was he aware of the fact that the previous Minister of Natural Resources, the member for Cochrane South (Mr. Pope), had undertaken negotiations with the federal government and had demanded a fair market value for those lands and the retention of hunting and trapping within its boundaries?

Why has the minister sold out all the hunters, trappers and fishermen in the Bruce Peninsula, when even his senior staff recommended that hunting should be retained in that area?

Hon. Mr. Kerrio: The fact that a previous minister dug his heels in is the reason we were not going to have a national park there, and now we are. I am very pleased to stand in my place here and tell the people of Ontario that we have a new national park in the Bruce Peninsula and that many years hence there are going to be many thousands in future generations who will enjoy that park.

Interjections.

Mr. Speaker: We will just wait. Order. I would like to have as many members as possible ask questions.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: Thank you, Mr. Speaker. I appreciate your getting a little silence before I got up. It will disappear in no time, I am sure.

My question is for the Treasurer. Today the Social Planning Council of Metropolitan Toronto issued this document, called *Living on the Margin*, another analysis of poverty in Ontario. I want to ask some questions around the question of the working poor in Ontario and what programs the Treasurer may have to provide.

The council indicates on page 114 of its document that many families who are the working poor in the province at the moment need to make at least \$8 an hour to be able to get by in places such as Metropolitan Toronto. Does the government have plans for introducing work supplement plans, such as those in Quebec or in Saskatchewan and elsewhere, to assist the working poor, who are being excessively hard hit currently in Ontario?

Hon. Mr. Nixon: The Minister of Community and Social Services (Mr. Sweeney) is participating in our discussions for the allocation, preceding next year's budget. Associated additional expenditures, such as improvements in payments that normally are announced before the beginning of the calendar year, are also being discussed. The member should direct his question to the minister when he is here, because he could give a much more appropriate answer than I can.

I can give the member an assurance that will not put much bread on the table, nor, I suspect, give him much satisfaction, by simply saying that the government is as supportive as it can be of progressive and useful programs that are going to relieve the difficulties of poverty in this city and across the province.

15:40

Mr. R. F. Johnston: The reason I went to the Treasurer was that there is some feeling out there that a fair amount of money is going to be required to bring this system up to date and he is the final arbitrator of that over there. It would therefore be important to find out where he stands on these matters as well even if the minister were here currently.

Coincidentally, I happened to get a call today from a constituent, a woman who works for an

electrical firm and earns just under \$13,000 a year. She complained to me that even though her rent does not seem excessive at \$460 a month, to which it is just going up, she does not feel she is capable of maintaining that rent, which is around 54 per cent of her net income.

Three years ago, she had put in an application for Ontario Housing and was told that it takes three years to get on the list. As of this morning, she has been told that she was taken off the list. For a person in her category, it will take at least five years to get assisted housing in Ontario.

Does the Treasurer have plans in place to assist people with their enormous housing costs, which are eating so extremely into their budgets? This applies especially to single parents.

Hon. Mr. Nixon: The only answer I can give the honourable member is that the Minister of Community and Social Services has put to me and to our colleagues the very strong indications of growing needs both here in the Metropolitan Toronto area and elsewhere in the province in this connection. We are subject to many demands.

The member refers to me as the final arbiter in these matters. If that is so, I feel under a good deal of tension and pressure in all ways. It is a joint decision made by all members of the cabinet as to how the financial pie is going to be distributed.

Again, I simply reiterate the concern that the minister and all of us as his colleagues feel in this regard. I hope our decisions are going to improve the situation.

Mr. Sterling: I have a question of the Minister of Energy (Mr. Kerrio), who I notice just ducked out.

Mr. Speaker: Perhaps someone else may have a question of another minister. I do not see that minister here.

Mr. Sterling: I will bow to the member for Mississauga South.

Mrs. Marland: My minister has also ducked out. I guess the news has got through. It is for the Minister of Citizenship and Culture (Ms. Munro).

Mr. Speaker: Does the member for Carleton-Grenville wish to direct the question to another minister?

TRANSMISSION LINE

Mr. Sterling: I will ask the question of the Treasurer.

A number of studies dealing with health effects from high-power tension lines have been

done recently, in the United States in particular. Some recent studies have been done in Canada. The most recent one was by the National Cancer Institute of Canada, Toronto, showing that electrical workers died of leukemia at more than twice the expected rate.

Reports from a number of studies cannot explain that people who are exposed to elevated magnetic fields are more subject to cancer than people who are not.

Even an official in Ontario Hydro, John O'Grady, was quoted recently in the *Ottawa Citizen* as saying, "Now that is not to say there is no risk, but it has not been established to date."

The New York state health department has commissioned \$5-million worth of studies on this matter. What is the government doing to attack and address this concern of many people who are exposed to high tension wires?

Hon. Mr. Nixon: I would like to redirect the question to the Minister of Natural Resources.

Hon. Mr. Kerrio: Thank you very much. It is a very important question that has been studied in a great many jurisdictions. The impact on people who are working with and living near and around high tension wires, where the induced currents from high voltage travelling through the lines would set up a field of energy beyond the lines itself, has been studied.

In all the studies to this time, there are no real indications that it has any effect on human beings or animals, except for the cathodic action that is picked up in pipes in the ground.

As time goes on and people become more interested, we may see studies that would cause us to re-examine the situation, which we will be very prepared to do.

Mr. Sterling: Unfortunately, the people of the community of Bridlewood in Kanata, who, because of a joint board hearing have to accept twin towers to bring the main power line from Lennox to Ottawa, are not convinced by the assurances of Ontario Hydro. Last Monday night, 150 concerned parents and citizens did not have their fears alleviated by Ontario Hydro's assurance that the new dual towers bringing in these lines will not be any more dangerous than the existing towers. I believe there is mounting evidence—

Mr. Speaker: Question.

M. Sterling: —that there are ill effects in this area. Will the minister consider asking his cabinet colleagues to reconsider the route selection through Kanata to skirt this community and

not expose these people to high-power tension lines?

Hon. Mr. Kerrio: I have been discussing this very issue with the Minister of Municipal Affairs (Mr. Grandmaître) because he brought it to my attention. Everyone here is aware that the hearings undertaken by Ontario Hydro for transmission lines are such that anyone or any group of people that has concerns about various situations can put their feelings to a hearing board. I cannot believe they would not have made that case when the route was being determined, but I will take the honourable member's question into account and talk with our people at Ontario Hydro to see whether there is any new evidence that there are concerns.

HAMILTON HEALTH FACILITY

Mr. Mackenzie: In the absence of the Minister of Health (Mr. Elston), I would like to ask a question of the Treasurer. From his many years in this House, the Treasurer will be well aware of the long fight for an east end medical facility in Hamilton, now more commonly referred to as the St. Joseph's ambulatory care unit. Some two years ago, the previous government made a commitment of some \$10 million as the government's share towards the construction of this facility, which has taken 15 years to work through the process. Can the Treasurer tell us whether that commitment for the east end medical facility in Hamilton still stands with the present government?

Hon. Mr. Nixon: I cannot answer that definitively. There are a number of programs the previous government was interested in funding that we would like to fund as well, but I am not sure whether this is one that is going forward. I recall the situation because the community has been advocating that very powerfully for many years. I sincerely hope that funding can be found to promote it. The honourable member will be aware that the budget of last May included \$850 million over a period of three to eight years; that is, the construction would have to be completed by that time. That will be by no means the limit on capital commitments. Whether the minister has included that in the list, I do not know.

Mr. Mackenzie: The community is working on the assumption that it is, but there has never been any formal recommitment of the \$10 million. I know the total plans for the unit have been in the minister's office for a good many weeks. Will the Treasurer take the opportunity to check with the minister when we might see approval of those plans and give me an answer

whether the commitment of \$10 million that was made is still there?

Hon. Mr. Nixon: I wish the member would ask the question directly of the minister, who is usually in his place—he was there until about 10 minutes ago—but since it does involve public funds, I can undertake to track down the status of the situation and report to the member.

ARTS FUNDING

Mrs. Marland: My question was for the Minister of Citizenship and Culture (Ms. Munro), but I see she is not back in the House, so I will ask the question of the Treasurer since he is the person who controls the purse-strings for the province in any case. Does he support the concept of the Ontario Arts Council being an independent, arm's-length body that would distribute government grants to arts community groups?

Hon. Mr. Nixon: Of course, I do. I know what the honourable member is referring to. I heard the Minister of Citizenship and Culture make the announcement. Was it \$1.8 million?

Mrs. Marland: It was \$2.5 million.

15:50 p.m.

Hon. Mr. Nixon: It was \$2.5 million extra, above and beyond the allocation for culture, which is substantially greater than the revenues of Wintario and Lottario in this year. The allocations this year have been greater than the year before, as the member has been made aware of clearly and repeatedly. I just want to be sure she is aware of it. The role of the arts council is extremely important, but these were ancillary payments made under, I would not say emergency circumstances but circumstances involving the substantial debt of these major organizations. I was very glad that the Minister of Citizenship and Culture was able to make this announcement and also that she had the resources to make the payment. The money was made available from the generosity of the people of Ontario and through the Treasury of the province.

TABLING OF INFORMATION

Mr. Gillies: On a point of order, Mr. Speaker: Again today we have checked with the table and found the government has failed to file with the Clerk of the House the computer contracts promised by way of a question in Orders and Notices on October 16. Today is October 23. There is a growing suspicion the government is trying to cover this up.

Hon. Mr. Nixon: I am not going to apologize, since the honourable member knows this is a huge opus he has requested. It costs a lot of money and a lot of work. I was informed when I asked for it to be tabled today that there a couple of what they call sign-offs, where deputy ministers approve the information that is going to be tabled. I give my best commitment that it will be available on Monday. I sincerely hope it will be available Monday.

PETITION

VENTE DE MOULINS À PAPIER

M. Rae: J'ai une pétition qui se lit comme suit: "Au lieutenant-gouverneur et à l'Assemblée législative de l'Ontario:

"Nous, les soussignés, résidents de Smooth Rock Falls, Departure Lake, Strickland, Fauquier et Moonbeam, demandons au parlement de l'Ontario ce qui suit:

"Que ce gouvernement de l'Ontario:

"Au sujet de la vente des moulins bleached kraft pulp et stud de l'Abitibi-Price Inc. de Smooth Rock Falls, Ontario, à la compagnie Waferboard Corp., et conditionnellement au transfert des droits de coupe du bois et en consultation avec les deux groupes suivants, c'est-à-dire le Syndicat canadien des travailleurs du papier, qui représente les employés, aussi avec la communauté:

"Veuillez considérer lier les droits de coupe du bois aux opérations de cette entreprise seulement;

"Demandez qu'un montant approprié des profits générés dans ces opérations soit réinvesti pour la modernisation de ces moulins à Smooth Rock Falls;

"Investiguez la possibilité d'établir une entreprise coopérative dans la manufacture, avec l'employeur, les employés et la communauté;

"Veuillez aussi considérer à participer dans la modernisation de ces opérations, tout en approchant le gouvernement fédéral d'en faire autant."

Signée par plus de 1,400 personnes des villes et des villages de Smooth Rock Falls, Departure Lake, Strickland, Fauquier et Moonbeam.

This petition is signed by about 1,400 residents of Smooth Rock Falls, Departure Lake, Strickland, Fauquier and Moonbeam, basically demanding that the government of Ontario take steps to ensure that the timber rights connected to the mill in Smooth Rock Falls be tied to the continuation of the work of that mill.

Mr. Speaker: Order. With respect, the member has presented the petition. I believe it is self-explanatory.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON THE LEGISLATIVE ASSEMBLY

Mr. Breaugh from the standing committee on the Legislative Assembly presented the following report and moved the adoption of its recommendations:

The committee has met to consider the hours of sitting of the House and recommends that the provisional standing orders be amended to provide that when the House meets in the afternoons, the hours of sitting be from 1:30 p.m. to 6 p.m.

The committee further recommends that the change in the hours of sitting take effect on Monday, October 27, 1986.

Mr. Breaugh: This is a one-item report. I understand there is general agreement that in order to implement this recommendation, we agree to have the vote on the matter this afternoon. I seek the unanimous consent of the House to proceed with that vote now.

Mr. Harris: I am prepared to give that unanimous consent at the conclusion of my remarks, which will be very brief. I want to say on behalf of our party we are pleased to support the recommendation of the committee and to congratulate it on arriving at what I think will be an improvement.

I have one question; it may not be a problem. The recommendation from the committee made no reference to it being on an experimental basis, which we are on now.

Mr. Breaugh: It mentions the provisional standing orders.

Mr. Harris: As long as it is understood we are in this process of having gone to the new sitting times and the new hours.

Our party has one reservation, and there was a good example today at two o'clock. As usual the government House leader was here in his place in the House and did a good job of fielding about 18 different questions from 18 different members. We have a grave concern about the attendance at two o'clock of ministers in their places in the House and we want to reiterate an even graver concern that they will be able to get here at 1:30 p.m. We have that reservation and we hope the government will take note of it.

Otherwise, we will be delighted to give this a try and see how it goes. I know it meets with the approval of the media, which have suggested that the 1:30 p.m. start suits their requirements a little better as well.

Mr. McClellan: The New Democratic Party also supports the recommendation of the standing committee on the Legislative Assembly to alter our schedule. We are adopting these hours primarily to accommodate the deadlines of the media attached to the Queen's Park press gallery.

I add again for the public record, since there has been so much discussion lately and preposterous allegations of delay and obstructionism, we ourselves are willing, if necessary, to extend the afternoon sitting hours from one o'clock to 6:30 p.m., if there is any slight perception that additional time is required.

That offer was put forward but was rejected by my friends in the government. However, the offer still stands. If we discover that for any slight reason at all the government feels it needs more time to accomplish the business of the House for the people of Ontario, we are only too willing to extend the sitting times to accomplish that objective.

Mr. Mancini: I note the paranoia in the statement made by the House leader for the New Democratic Party. He knows as well as anyone else that things have not been moving very quickly since the House commenced after our long recess. We are pleased he has made the offer on behalf of his party to extend our hours. If things proceed at the rate they are proceeding now, I believe we will have to extend the hours and the committee on the Legislative Assembly committee will have to meet again about this very important matter.

16:00

When we were in committee, we discussed several different items pertaining to changing the hours. As a committee, we felt the appropriate thing to do at this time was to start the proceedings at 1:30 p.m. to accommodate members of the gallery and therefore the general public.

I should point out that when the committee made its original report, we specified 1:30, if I am not incorrect. I see the chairman of the standing committee on the Legislative Assembly nodding yes. At that time, when the report was dealt with by the House leaders, it was the Conservative leader who stated he needed the extra time to prepare himself for question period. I see there has been a change of heart.

I in particular want to thank the cabinet, which has full-day meetings on Wednesdays and is prepared to go from the cabinet meetings right into the assembly. Members will recall that we could not extract that same concession from the previous government. As a matter of fact, it did

not have any sittings on Wednesdays. The cabinet should be acknowledged for the efforts it has made in having the rules of the House changed, for the efforts it has—

Mr. Eves: You can have cabinet meetings all day Friday. There is no problem.

Interjections.

Mr. Mancini: I know there is a lot of embarrassment on the other side, but the facts are as they are.

I want to say again to the House leader of the New Democratic Party—and I hope he can hear me over the heckling of the Conservative members—that we have heard him loud and clear. We have heard his invitation to extend the hours, and maybe some time in the near future we may have to accept his suggestion.

Mr. Breagh: I was not going to speak in this debate, but I have to clarify the record.

Yesterday, in the committee, attempts were made by members of the New Democratic Party to begin the proceedings at 1 p.m. and to carry through until 6:30. Those attempts were rejected by the government members and members of the Conservative Party on the basis that no additional sitting time was required.

I thought it would be simpler to present a report that advanced the hours to accommodate the needs of members of the press gallery and others. I did not want to get into this argument, but I think it is necessary that I put on the record that the attempt was made yesterday to extend the hours of sitting to provide additional sitting times. This recommendation does not do that; it simply adjusts the hours under the provisional standing orders.

However, as late as yesterday afternoon, the opportunity to provide additional sitting time was presented and rejected, and that is not what this recommendation says; it simply starts us a half-hour earlier and ends us at 6 o'clock.

Mr. Speaker: Order. When we started, this was asking permission for unanimous consent to debate, and I think I was listening very carefully. I may have given a little extra leeway.

Mr. Ashe: We got the debate.

Mr. Speaker: I believe so. It appears it is time to put the motion.

Motion agreed to.

Mr. Breagh: I do not mean to be precipitous here. It is a little hard to do this, but after the fact, can we have agreement that we have unanimous consent? I have not heard that question put yet. I take it we do, since we just had the vote, but on the off chance, will you put the question?

Mr. Speaker: I took it from the comments of the members.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Runciman from the standing committee on public accounts presented the following report:

Your committee wishes to advise the House that it has completed consideration of its order of reference dated Monday, June 16, 1986, relating to the allegation of conflict of interest concerning Elinor Caplan, MPP.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that the order of precedence for private members' public business be amended as follows:

Ballot item 26, the member for Scarborough West (Mr. R. F. Johnston) in place of the member for Welland-Thorold (Mr. Swart); ballot item 32, the member for Welland-Thorold in place of the member for Sudbury East (Mr. Martel); ballot item 44, the member for Sudbury East in place of the member for Scarborough West.

Motion agreed to.

INTRODUCTION OF BILLS

ONTARIO ENERGY BOARD AMENDMENT ACT

Hon. Mr. Kerrio moved first reading of Bill 142, An Act to amend the Ontario Energy Board Act.

Motion agreed to.

Hon. Mr. Kerrio: I do not have any comments at this time. I think the bill was adequately outlined in my statement today.

LOI DE 1986 SUR LES COMPAGNIES DE PRÊT ET DE FIDUCIE

L'hon. M. Kwinter propose la première lecture de la version française du projet de loi 116, Loi portant révision de la Loi sur les compagnies de prêt et de fiducie.

Hon. Mr. Kwinter further moved that Bill 116 be reprinted in bilingual form.

Motion agreed to.

La motion est adoptée.

Hon. Mr. Kwinter: This will be the first major corporate-commercial bill to be available in bilingual form in Ontario. It has been an

extensive undertaking, and I believe it is an initiative the government can view with pride.

J'ai déposé la version française du projet de loi 116, aujourd'hui, afin que la Loi portant révision de la Loi sur les compagnies de prêt et de fiducie soit disponible en version bilingue pour une deuxième lecture et révision article par article.

ORDERS OF THE DAY

RETAIL SALES TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 26, An Act to amend the Retail Sales Tax Act.

Miss Stephenson: I was about to begin my participation in this debate, but there is no one sitting in the Treasurer's chair. Now there is something sitting in the Treasurer's chair—I mean "someone." Forgive me for that Freudian slip.

Mr. Foulds: Ambition will get the member for Niagara Falls (Mr. Kerrio).

Hon. Mr. Kerrio: I think the Treasurer (Mr. Nixon) is listening to the member for York Mills (Miss Stephenson).

Mr. Foulds: No. I think he is out talking.

Miss Stephenson: Is he afraid? He is hiding.
16:10

I rise to participate in the debate on Bill 26 because this piece of legislation, which is primarily housekeeping, has some very interesting, conflicting philosophies contained therein. I am intrigued that the Treasurer cannot seem to make up his mind whether it is more appropriate to pronounce an exemption or a rebate. I have a little difficulty in determining the rationale for the position which changes an exemption to a rebate. There is no explanation for it.

At any rate, I do understand the motivation of the Treasurer as far as the removal of the rebate is concerned and the move to an amendment that provides for an exemption for university research equipment in particular, since this is a position I have proposed and supported strongly for four years. I believe the cash flow of the universities should be somewhat improved by this small move; it will ensure that they will not have to pay out the money and then wait for it to come back.

I can assume that the concern I have for the universities is also one that should be shared with the farmers of the province who need to buy equipment for grain storage. Why is the Treasurer deciding that those relatively small businessmen, who may have a small fleet of small trucks and who decide to go to alternative fuels, should have to go to the expense of the conversion

without any kind of tax exemption and then wait upon the Treasurer's pleasure to receive that which is perceived to be a rebate for that conversion? It seems to me it would be equally difficult for the small businessman in that circumstance.

I do not know why the Treasurer has decided he must move in this direction. Is it because there has been a great deal of misuse or abuse of this exemption? If that is so, we have not heard about it. It is not a huge amount of money, and I do not think the amount that has been lost to the Treasury has been overwhelming. Or is it because the Treasurer does not believe there is value in the conversion program? Is he actually saying to us that he does not care any more whether automobiles or trucks in this province are converted from the traditional combustion to the new kinds of fuels, which were a part of the program that was established?

The intent of this amendment to the Retail Sales Tax Act several years ago was that as much encouragement as possible should be given to ensure that interest was stimulated to remove the dependence upon the burning of gasoline per se in automobiles and trucks. This was not simply to conserve those materials but also, I am sure, to improve our environmental situation, since there is no doubt that combustion provides us with some very grave environmental difficulties, some of which we should be able to reduce by the conversion to other forms of fuel.

Is the Treasurer doing this because he wants them all to convert to electric cars? Or what is he hoping to achieve with this kind of inconsistency, which it is, in this bill? Will the Treasurer tell me today his motivation for the move he is apparently taking in this situation? It may have a very severe impact on small businessmen and on ordinary consumers in the province in a way which I doubt is entirely appropriate as far as their cash flow and their problems are concerned.

The members who have spoken to this bill have addressed the sales tax exemption for trucks, trailers and large trailers manufactured within Ontario. That is obviously a matter of grave concern, in particular in the ridings with manufacturing entities that produce such vehicles. The potential for unemployment is very significant because of the drastic action of cutting off the tax exemption as of January 1, 1987, as suggested by the Treasurer.

I know the Treasurer does not like to set precedents about anything. He is an extremely traditional man, and he would rather—I was a little afraid to suggest that I might call him a

conservative, but he is. He is quite a conservative individual, and it is not the kind of action he would normally take to set a dramatic precedent. However, if it will have a reasonable result in the area of employment in Ontario within the area of the financial viability of a number of trucking companies, and if it will ensure that some small trucking companies will be able to survive the invasion which occurs with some regularity in this province of trucking industries across the border—with the help of the cabinet of Ontario within the past several months, I must say—perhaps the suggestion that this change be phased in is one he might look at as a useful exercise on this occasion.

He can very clearly say this does not constitute a precedent but just a result of his examination of this problem with good sense, with rationality and with a logical approach to trying to ensure we do not damage unduly the employment picture in a number of ridings in the province. He might move in that direction.

It is my sincere hope that the Treasurer will very carefully consider the suggestion that has been made. Notching, which has been suggested, may not be appropriate, and there may be a better way, but I ask him at least to consider that.

I will not say anything more about the tax exemption for the charitable and nonprofit theatres or groups within Ontario. It not only is problematic for those who run theatres in institutions or provide programs of entertainment within established buildings but also is going to be a very major problem for a number of communities that have agricultural fairs and a number of community groups that organize day programs within which there is an entertainment component.

It is not a very sensible approach to take, particularly, as has been suggested by the member for Mississauga South (Mrs. Marland), when it is combined with the horrendous and somewhat draconian action of modifying section 9 of the Ontario Lottery Corporation Act. It appears the Treasurer is attempting to ensure that he will have total fiscal control over these groups, which attempt to provide us with our characteristic cultural activities so as to maintain our specific cultural identity within Ontario, and is hoping to ensure that his heavy hand will be able to control whatever it is they are going to do.

The Treasurer should very carefully reconsider the action he is proposing to take in that section of this bill. I would hope he would look at the suggestions that have been made by a number of people who have stood in their places in this

House and have suggested to him means of addressing the problem as it is perceived by the theatres themselves and by the voluntary and nonprofit groups. I would also hope that he would ensure there is some modification to this bill after it has been examined in committee to allow them some sense of security that they are going to be able to continue to function without having the Treasurer tell them what they are or are not going to be able to do.

I do not think that is what the Treasurer wants to do. I think what he wants is to attempt, through some sleight of hand, to suggest to the people of Ontario that he has a firm hand on the sales tax pulse of Ontario. His hand is firm always, I have no doubt about that, but I am not sure this is the place to exercise the kind of control that he apparently considers to be appropriate.

I say to the Treasurer—he is not paying any attention, but I will say it anyway—I have much less concern with the minimal, very limited competition that occurs as a result of the exemption that is permitted currently, the kind of disadvantage the totally private theatres feel they have. They do not seem to suffer very dramatically.

16:20

There is a much more serious situation that the Treasurer should be addressing, and that is the lack of competition, the disadvantage that is occasioned upon the private sector consulting firms which are attempting to compete with consulting firms that are almost totally publicly funded. That is a much greater problem than this. Why does he not address that instead of looking at this little wee problem of whether the Royal Alexandra Theatre is going to be able to compete appropriately with the O'Keefe Centre? Surely he knows Mr. Mirvish is not entirely lacking in dough, greenbacks, money or whatever one wants to call it.

Hon. Mr. Nixon: Neither is Harry Belafonte.

Miss Stephenson: Neither is Harry Belafonte. I am not suggesting he is, but I am suggesting that the Treasurer is maintaining another area of disadvantage in ensuring that Ontario Place does not suffer at all from the same kind of heavy hand he is attempting to place upon the other theatres, those that receive some support from municipalities, from the provincial government or from nonprofit groups. There are ways in which this could be done without this kind of draconian activity. It is not beyond the scope of the minister's fertile imagination to attempt to find an alternative route to sort out the problem appropriately. This is not the way to do it.

The Treasurer has been absent during my expression of concern. I hope he heard the concern I expressed about his apparent ambivalence in direction in this bill. I cannot tell whether he did because he is busy reading a note. Did the Treasurer hear my question?

Hon. Mr. Nixon: What question?

Miss Stephenson: Obviously, he did not hear it. What was his motivation in switching from exemption to rebate in terms of the alternative fuels program?

Hon. Mr. Nixon: Fairness and equity and improving cash flow.

Miss Stephenson: What? How can he employ a cash flow with a rebate, for heaven's sake.

Hon. Mr. Nixon: Getting the money.

Miss Stephenson: Who needs the money? The Treasurer gets the money. Is it his cash flow he is worried about?

Hon. Mr. Nixon: Of course.

Miss Stephenson: Of course, it is his cash flow. It has nothing to do with the taxpayers. The only cash flow he is worried about is his. That is unfair. It is unworthy of the Treasurer of Ontario to worry only about his cash flow. Was there a problem? Were people abusing this program? Does he have figures to demonstrate there was a need to move in this direction? Since he is already going from rebate to exemption in the area of grain storage bins and research equipment, why on earth would he go from exemption to rebate in the area of alternative fuels?

Mr. Foulds: Because he can cap it, which is what he has done.

Miss Stephenson: I know he has capped it. Was that the only reason? Is he interested at all in the alternative fuels program? Is he interested at all in the preservation of the environment through the alternative fuels program? Is he interested in the development of new technology in terms of alternative fuels for motor vehicles? Is he interested in that? No. The government sold the Urban Transportation Development Corp. It has sold everything. I wish the Treasurer had been around. I still think we might not have suffered quite so badly if he had done some of the negotiation on UTDC.

What a mess they have caused. I really believe those guys were suckered. I believe they were the victims of misunderstanding or probably naïve acceptance of the propaganda they were given about the abilities of certain people. To put Ontario in the position of losing millions and

millions of dollars to Lavalin? Really, it is sickening what they have done with UTDC.

Hon. Mr. Nixon: What about Minaki.

Miss Stephenson: Minaki Lodge has been a source of employment in Minaki.

Mr. Foulds: Fewer than 20 people from Minaki got employment there; fewer than 20 jobs were provided for northerners. They slammed the door in my face. I was turned away at the inn.

The Deputy Speaker: Order. The member for Port Arthur (Mr. Foulds) will please be quiet at this point. He will have his two minutes to say what he wishes to say.

Miss Stephenson: There is no doubt about the fact that the kind of announcement made by the Minister of Tourism and Recreation (Mr. Eakins) today will ensure that we will also lose our shirts on Minaki. They are doing exactly the same thing they did with the UTDC. We will never get our equity out of it, never. That is primarily because of their total ineptitude in any kind of negotiation.

However, I am sorry; I am off the principle of this bill. This bill is an interesting bill and an important one in many ways. There are some very delightful little features in it and some that I really do not understand, unless the Treasurer really provides us with an honest response to my questions.

Mr. Haggerty: Is the member saying the Treasurer is dishonest?

Miss Stephenson: No, I am not. I just am suggesting that I will know the motivation for his apparent ambivalence in the position regarding rebate and exemption if he provides me with factual information that will demonstrate that there was a need to do this and that he is not simply destroying, as I think he is attempting to do, the alternative fuels program. He is hoping the people who are committed to it will go ahead and do the conversion and then forget to apply for it, of course. Even if they do apply for it, they will only get a part of the money to which they would have been entitled ordinarily.

I do not believe this is the appropriate kind of stimulus if the Treasurer has real concern about moving in the direction of developing new technology and new jobs, protecting the environment and conserving the fossil fuels we currently use for that purpose.

I hope the Treasurer will provide us with that answer. I hope he will also assure us today that this bill will go to committee for full discussion in order that we can receive the opinions of the groups affected, those who are going to be

impacted somewhat painfully by some of the sections in this bill. I hope the Treasurer will provide us with answers to certain of the questions we have asked.

Mr. Foulds: First of all, I want to indicate that I support a number of the positions and innuendoes that the previous speaker put forward, although I must say I regret that her style has become so conciliatory over the last little while.

Miss Stephenson: I have been taking lessons from the member for Oshawa (Mr. Breagh).

Mr. Foulds: I particularly wanted to ask the honourable member this question. For one thing, does she believe, as I do, that the change which changes the exemption for alternative energy vehicles to a rebate harms the individual purchaser more than it harms the fleet purchaser?

Second, does she believe it would improve the cash flow, obviously, and the incentive for the purchaser of alternative energy vehicles to have the tax exemption rather than the rebate, because then the money does not need to be put up front, so to speak, and reclaimed?

Third, does she find this inconsistent, because in the previous section, in order to improve the cash flow for universities and for farmers, the Treasurer has rightly moved from a rebate package to an exemption package?

Hon. Mr. Nixon: Wait.

Miss Stephenson: Why do I have to wait?

Hon. Mr. Nixon: Because it is my turn.

Mr. Foulds: No, she gets to reply to me.

Hon. Mr. Nixon: Do I not speak and then she speaks?

The Acting Speaker (Mr. Morin): It is the Treasurer's turn.

Hon. Mr. Nixon: It is my turn. Start the clock.

I appreciate the assistance of the member for Port Arthur in explaining the exemption to farmers and universities. If one has to put in for a rebate, one has to wait. If there is an exemption, it improves cash flow, which I thought the honourable member was talking about. That is clear, and I am sure that if she gives it the attention of her powerful mind just for a moment, she will see that this is an amendment which even she and her colleagues, the most paranoid group I have met in a day's march, will support.

16:30

Miss Stephenson: It is a pity the Treasurer was not here when I was saying just that.

Hon. Mr. Nixon: That they are a paranoid group?

Miss Stephenson: No, I am not any more paranoid than he is.

The Acting Speaker: Order. Please continue.

Hon. Mr. Nixon: Okay. The honourable member must understand about repealing the exemption provided for alternative fuel vehicles and conversion kits. She knows her good friend, who has not been in the House lately, the member for Don Mills (Mr. Timbrell), has purchased a beautiful big red car that he parks carefully out there in three places. Is it not his car? Is it really a Ferrari?

Mr. Breaugh: No, it is a Lada.

Hon. Mr. Nixon: A Lada? It is not a Lamborghini; it is a big one. Actually, if he were to put in a conversion kit under the regulations that the member used to administer, he would get the whole car tax-free.

Miss Stephenson: That is not true.

Hon. Mr. Nixon: This is an appropriate way, not to extract additional dollars but to continue to support the concept that we want people to use alternative fuels through a fair and controllable method of assisting through the tax system and encouraging those conversions.

Miss Stephenson: In response to the question placed by the member for Port Arthur, may I say I certainly did have some difficulty in trying to match the position taken, which I support, and I said that, if the member had deigned to be in the House while I was saying it.

Mr. Breaugh: That is better.

Miss Stephenson: Right. Regarding the necessary cash flow for universities and for farmers, I simply did not understand why he was going in this direction. I do not think the example he has provided us is entirely factual. I would like him to correct that, if he would, at some point because there would not be a totally free automobile as a result of that conversion.

Hon. Mr. Nixon: Not totally free.

Miss Stephenson: That is what the Treasurer said. He said he would almost pay nothing for it—the tax for the automobile. That is not entirely true.

None the less, I do have concern that the individual purchaser is going to be very hard hit, particularly the purchaser who is going to buy a small automobile, who is not able to afford one but who really feels strongly about the use of alternative fuels. He is going to be particularly hard hit; but then the small fleet owner is almost

equally hard hit. He has to make his total outlay and then has a limited rebate for which he may have to wait months, depending upon the pleasure of the Treasurer.

I am not sure that could be construed as a reasonable kind of stimulus or encouragement if the Treasurer is really interested in the alternative fuels program. I thought he was. If he is, I cannot see why he would move in this direction. I am sure there are other ways in which he can get greater control, if control is what he wants, but I do not think he should destroy the program by hitting it with a sledge-hammer.

The Acting Speaker: Are there any other members who wish to speak on this bill? If not, the minister.

Hon. Mr. Nixon: I have already commented and used the new rules to make brief comments following a number of the speeches made by the honourable members. In response to the comment that the official critic for the opposition just made, I have talked to my official, and she is probably more nearly correct than I when it comes to tax-free Lamborghinis.

Miss Stephenson: I may be wrong, but I could never afford a Lamborghini.

Hon. Mr. Nixon: The enactment will provide a refund designed to limit the maximum amount refundable for the vehicle. Some of the refunds, while they do not cover the cost of a Lamborghini, do cover an amazingly large number of dollars.

Miss Stephenson: When the Treasurer says “an amazingly large number,” what is he talking about?

Hon. Mr. Nixon: I will give the member a letter on it. They are big bucks.

The amendment essentially provides the limit we are talking about. I am still driving a lovely brown Olds 98, which our honourable friend does not like me to talk about very much. It uses number one gas, not propane or any other kind of hot air.

Miss Stephenson: If he breathed into it regularly, I am sure he could cut down on the amount of gasoline required.

Hon. Mr. Nixon: It is a dandy car, and I admire her taste in selecting it. It is standing up beautifully.

In general, the bill is not designed to be a great centrepiece of budgetary reform. The big item that returns a lot of dollars is the resumption of the sales tax of seven per cent on heavy trucks. This was lifted by the previous Treasurer, the member for Muskoka (Mr. F. S. Miller), in the

depths of the recession earlier in this decade, I believe in the budget of 1983, when business and industry were suffering a substantial depression. The trucking industry lobbied for this, and it was granted. I think it was a wise thing to do.

It is not clear that the removal of the tax is the reason for the resumption of prosperity in the industry. The economy has improved substantially because of the initiative of Brian Mulroney. It must be him, because it is not me; at least, the opposition says it is not me. We know the great god of economics probably had something to do with it as well.

However, the economy in the trucking industry, as elsewhere, has resumed substantially. The statistics that are available to all members show it has even surpassed its previous peaks well before the recession earlier in this decade. Since we are the only province except Alberta that does not tax heavy trucks, it seems reasonable, for uniformity and for purposes of revenue, that it go back on.

The member who has just spoken and others have talked about phasing it in. One could say we are phasing it in. It was announced in the budget in May that the tax would resume next January. Presumably, the resumption of seven per cent immediately is a pretty big phase, but at least there was plenty of notice, and that is responsible more than anything else for the fact that projected sales in January and February are low.

Any businessman who has any capital or access to credit is going to make the purchase while the exemption is still there. Unfortunately, this will give some employment dislocation to the heavy truck manufacturers.

Miss Stephenson: It will.

Hon. Mr. Nixon: There is plenty of time for both the manufacturers and the unions to make appropriate plans for the period when the dislocation exists, because employment is high now. It is hard to get a heavy truck because it can be bought tax-free. Just as in all other provinces, including those with Conservative governments, the tax in Ontario will resume. Most provinces have a higher sales tax than we have, as the member knows.

The other section of this bill that has received a good deal of comment and that has substantial cost is the increase of the exemption on prepared foods to \$2. Members know the background and the political business—

Mr. Foulds: Motivation.

Hon. Mr. Nixon: That is right, the motivation associated with it, if one calls political motivation giving a sort of half-answer to a political promise. This is the best we can do at this time.

Mr. Foulds: A half what answer?

Mr. Ashe: A half-assed answer.

Hon. Mr. Nixon: I thought I would let the members do their work with that.

It is costing us \$70 million, but it is something the party indicated it wanted to do. In fact, we promised an exemption of \$4, which would cost double that, maybe a bit more. As we go through the four-year to five-year life of this administration before the next election, it remains to be seen whether we will move one way or another towards the fulfilment of that promise.

It is an expensive one, and I understand the difficulties associated with doing it in phases. It is probably a commentary on the criticism the honourable member directed at me in the early part of her remarks.

16:40

The other matter—and I will not dwell on it either, because it has been thrashed around here repeatedly—is the removal of some exemptions on entertainment tax in theatres and, I say, the rationalizing of the application of that tax. It is not designed to create any significant amount of revenue but is designed to apply the tax when foreign performers come into this jurisdiction and attract huge crowds at very high-priced ticket levels. We feel that is an appropriate time for the government to apply an entertainment tax.

Far more than the amount we collect is returned to the Canadian cultural and entertainment community in all sorts of grants and support. Members may like to say, why not earmark and designate the money? I have always been very much against that sort of budgeting. I assure members that an amount of more than any increase in funding that comes from this change will be going into the support of culture under the direction of my good friend and colleague the Minister of Citizenship and Culture (Ms. Munro), who with the support of the Treasury has shown her generosity in this regard this very day with the announcement of an additional \$2.5 million.

I say again, in case there are some people listening who were not listening earlier, the support of culture is far beyond the money collected from Wintario and Lottario. During the past two years, the commitment of these dollars has been larger in absolute amounts than the amount collected from those two lottery sources designated by law.

Mr. Foulds: For those years.

Hon. Mr. Nixon: For those years. For previous years, before we had the responsibility

of government, the money, although required to be used for recreation and culture by the dedication of the law brought forward by that administration, was not used for that purpose. I am not saying anything illegal was done. It simply was kept as a notional or nominal fund in the consolidated revenue fund. It existed only as a number. It was not packed away or in a sock, but the Tories did not spend the money. I put those figures forward in question period; I will not do it again now, but I will do it again repeatedly.

That is why it just knocks me out when knowledgeable people in the community write to us. The most recent one is the wife of the former Premier, herself one of the finest ladies I know, who feels this policy is devastating as far as the cultural community is concerned. It just is not.

Mr. Harris: Of course it is.

Hon. Mr. Nixon: It just is not. Our commitment is there for all to see, and I regret very much that people would criticize us when our intent is so clearly understood by sensible people and those who have any objectivity. In this instance, it is not a major part of the budget. It is simply an attempt to bring forward fairness and equity to change a situation that enables certain entrepreneurs in the business to engage very popular foreign performers, mostly Americans, who command huge prices and huge crowds, bring them in here and use our charitable institutions to get tax-free performances. When Bruce Springsteen fills the huge stadium—

Mr. Harris: For the cancer society.

Hon. Mr. Nixon: It is not for the cancer society. He walked out of here with millions of dollars. I have no objection to that. He is one of the best entertainers in the world. At the same time, I believe that entertainment tax should be applied at 10 per cent, and I sincerely trust and hope it will be.

Mr. Foulds: You cannot tax him anyway.

Mr. Harris: You cannot tax him. He goes home with the same amount of money.

Hon. Mr. Nixon: This amendment is brought in here for that purpose. We can spend a long time talking to people about whether it should go forward, and I am glad to defend it; if in its wisdom the House feels this should not proceed, then it obviously will not. But I regret there is so much, may I say, while you are not listening, Mr. Speaker, wilful misunderstanding in a matter that is important, at least in some degree, and that I think will be to the benefit of the people.

I understand the official opposition, for reasons I cannot understand, is going to oppose this bill in principle. Normally, we would go through the procedure of ringing the bells and having everybody stand up. According to the information I have, we will win anyway in spite of their opposition. At the same time, it is their feeling, and the official critic has said it very effectively, that the bill should go to committee for further review. In the interest of saving time and going forward with the bill, if the opposition is not going to ring the bells but will record its negative position on the bill in the usual way, we in turn will not attempt to stand in the way of its going out for a committee hearing.

I ask the House to support the bill. No tax bill is easy—there is no doubt about that—and it may be that my plea will fall on deaf ears. But I can assure members that this bill should be supported in principle, and I ask for that support of the House.

The Acting Speaker: All those in favour will please say “aye.”

All those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Bill ordered for the standing committee on finance and economic affairs.

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 27, An Act to amend the Corporations Tax Act.

Hon. Mr. Nixon: This bill implements amendments arising out of the proposals in the budget of May 13, amendments of an administrative nature and amendments required to parallel certain federal income tax provisions. The proposed amendments in the capital tax area will result in changes to the treatment of certain instruments and legislative reaffirmation of existing policy for others.

In the past, a 120-day holding period has been used as a yardstick for purposes of calculating the capital tax owing on various types of short-term debt. In general, if such short-term debt has been outstanding for a period of 120 days or more prior to year-end, the act requires that the debtor include the amount in paid-up capital for capital tax purposes. In addition, the issuer of such instruments outstanding for a period of 120 days or more is permitted to claim investment allowance in respect of the investment.

Certain types of short-term debt and investment are not bound by this 120-day rule, but as a result of this budget, this 120-day rule will apply

to a broader range of short-term debt, namely, treasury bills, bonds and commercial paper. Formerly, these instruments were taxed where applicable, regardless of term or holding period and, on the other hand, were eligible for investment allowance regardless of term or holding period.

Another proposed amendment will require that bankers' acceptances, regardless of term or the purpose for which they are issued, be included in paid-up capital for the purpose of calculating capital tax. An exception is provided for investment dealers or brokers. Specifically, money market instruments held in the inventory of an investment dealer or broker will qualify for the investment allowance, regardless of the 120-day rule.

The aforementioned amendments regarding short-term investments are effective for the taxation years of corporations ending on or after January 1, 1987. In addition, the Corporations Tax Act will be amended to parallel the provisions of the federal Income Tax Act with respect to profit and capital gain reserves arising on the disposition of property. These amendments are effective for dispositions after December 31, 1986.

Finally, the bill contains amendments providing for certain administrative changes which are required as a result of amendments to the federal act.

16:50

Mr. Ashe: I shall be speaking briefly to this bill, because as the Treasurer has already indicated, it is pretty much housekeeping. It implements some changes as brought forth in the budget, in particular in the area of clarification of the 120-day rule and so on. It also brings forth many changes to keep it consequential to federal tax changes. But I do have one question that I hope the Treasurer in his capacity as Minister of Revenue can possibly clarify in a two-minute period and not have to save it until the end.

As the Treasurer and Minister of Revenue well knows, when we talk about the capital tax, there is an area in our society that has been very concerned. The farm equipment dealers in Ontario, because of the nature of their business, are required to carry in their inventory—and hence subject to capital tax—rather substantial items that I understand on average turn over once every eight months. I appreciate that varies in some respects from dealer to dealer and from one piece of equipment to another, but I understand that on average that is the correct number they supply.

Carrying a large inventory for an eight-month period means they are subject to capital tax on something that is a detriment to them, particularly because of the nature of their business. So in trying to deal with their constituency and to provide service and equipment available to their constituency, namely, the farm community, they are being penalized. It is my understanding that this amendment to the Corporation Tax Act does not take care of that problem.

I know the Treasurer and Minister of Revenue is aware of the problem, and my query and concern is this: Has he had any opportunity to discern whether out of this act he has the ability to take care of that problem through another route, through regulations or whatever? If not, in what way is he going to take care of what I feel are the legitimate concerns of the farm equipment dealers in this province of ours?

Other than that, we will be supporting this bill on second reading.

Hon. Mr. Nixon: I appreciate the chance to respond briefly to the point raised by the honourable member. I believe we even raised it in a previous debate of this type because the farm equipment dealers had come to see me formally and a number of them I know personally had raised it with me and explained their own difficulty. This has been exacerbated by the fact that very few farmers are making farm equipment purchases for economic reasons that have been bad for years and are gradually growing worse. Their argument was that if there ever was a time for the government to assist the dealers in any way, it was now.

I wish I could reply more positively to the query from the honourable member. As a part of our budget preparations, we reviewed the matter very carefully, and I undertook both formal and informal discussions. The advice of my officials responding to my interest in the matter was that we could not proceed in any fair and equitable way to deal with it at this time. Personally, I am still giving it consideration, but our review did not turn up with a positive response as far as they were concerned.

Mr. Ashe: I am not sure that is an answer that is satisfactory to the farm community in general and, more important in this sense, to the farm equipment dealers in Ontario who are trying their utmost to support the farm community.

We are talking about an industry, as acknowledged by the Minister of Revenue himself, that is having difficult times, which puts further onus upon the farm equipment dealers. Frankly, this is an extremely unfair situation, and I hope the

Minister of Revenue with his Treasury hat on at the very next opportunity will look at the plight of the farm equipment dealers in Ontario and take care of this problem.

Mr. Foulds: We will be supporting the bill because by and large it is a housekeeping bill that aligns the provincial legislation with federal legislation. I am sure the Treasurer is aware, as are the members of the other parties in the Legislature, that by and large this party does not feel that corporations bear their fair share of the taxation burden of the province.

One of the things that surprised me in the hearings that my colleague the member for Hamilton East (Mr. Mackenzie) and I have been enjoying before the standing committee on finance and economic affairs was that, lo and behold, two of the major insurance companies in Ontario indicated they had not paid corporation income tax in Canada for as long as they could remember. One could remember having paid corporation income tax in the United States as recently as 1972; the other could remember paying corporation income tax in the United Kingdom at the current time.

When such situations arise, it seems to me there is a very strange taxation system in this country that favours the louder voices of society rather than the quieter voices. Aside from the provision which continues the assurance that credit unions will be taxed at a lesser rate than other corporations, this bill does very little to improve the general progressivity of our taxation system in the province. We all know the revenues accumulated by the Treasurer today from individuals as a proportion of the total revenues of the province—I cannot recall the percentage off the top of my head at the moment—has escalated enormously in comparison to the revenue garnered from individuals as a proportion of the budget some 15 years ago, when I first arrived in this Legislature. It is certainly more than 20 or 25 years ago. This bill does nothing to help reverse that, even in a small way.

The Treasurer took a small step in his previous budget when he increased the rate from 15 per cent to 15.5 per cent, and this bill assures the continuation of that 15.5 per cent. We are supporting the bill for those very modest and minuscule reasons, but we point out to the Treasurer that he does have instruments available to him to increase the progressivity of the taxation system in Ontario. The Treasurer has not taken the opportunity to do that in two budgets.

In the previous sales tax bill, we could argue that, although he has taken one step by raising the

exemption on prepared foods, which is a progressive step, he has taken some less progressive steps, and I regret that very much. To be fair to the Treasurer, I think one of his objectives, that one can “see through a glass, darkly,” to use a biblical phrase subsequently used by Ingmar Bergman to title one of his films, is to have some consistency in taxation legislation. We agree with those steps, but even there, as the member for York Mills (Miss Stephenson) pointed out in the last bill, there are some ambivalences and inconsistencies.

17:00

In short, we will support this bill on second reading. We do not do so because it is a great, progressive piece of legislation, but basically it does not do any more harm than the present taxation already renders upon the citizens of this province. I will leave it at that.

The Acting Speaker: Are there any other members who wish to speak on this bill?

Miss Stephenson: I rise to participate in this debate to tell the Treasurer what I guess he already knows. We are supportive of the housekeeping aspect of the bill. However, I suggest to the Treasurer that housekeeping is probably not necessary at this point. What is necessary, it seems to me, is a very critical examination of the whole taxation structure, and possibly there might be an examination of both personal and corporate income tax to ensure we are being fair and equitable in the use of our taxing powers in Ontario.

It is troublesome to learn that the percentage of revenues raised in this province from personal income tax has risen from 64 per cent to 72 per cent of the combined corporate and personal tax revenues, whereas the share of corporate taxation revenues has declined from 36 per cent to 28 per cent in that 10-year period as well.

I realize it has not happened entirely overnight, but there has been a very significant shift in that percentage within the past 16 months. I think the Treasurer knows that, and that one of the reasons is the very dramatic increase in tax he imposed last October on those who pay personal income tax in Ontario.

However, I suggest that if the concept of modifying the Corporations Tax Act in the province is not anathema to him, it might be even more desirable if he would look with favour upon a real examination and perhaps at really reforming the tax structure within the province. That is an exercise he might undertake with enthusiasm right now. What the Treasurer is doing here is simply tinkering. I do not think it is going to

make a heck of a lot of difference, even though it brings us into line with the federal taxation principles, and that is appropriate.

Instead of doing this, I wish the Treasurer would suggest to us today that his activity for the next several months is going to be the careful examination and consultation that would lead to the kind of modification of the income tax situation, both corporate and personal, which would ensure that the principles of equity and fairness were going to be the hallmarks of the taxation system in Ontario.

I do not get that feeling from the tinkering here. I think we could get it if the Treasurer were to say he would enthusiastically embrace that suggestion and begin the process, perhaps within the next week, because he has so much time to do this. It is the kind of activity he might enjoy. It would certainly be beneficial for everyone in the province if that kind of critical look were to be taken at present.

It is a little difficult for us in Ontario and a little difficult for them as the government to look at what is happening in terms of the burden upon the middle-income taxpayer in this province as compared to what is likely to be happening to the middle-income taxpayer as a result of tax reform south of the border. I do not know that the comparison is going to be very favourable for Ontario, and I do not want to see us subjected to truly odious comparisons, but that is what will happen if the trend which has been established, and which has increased dramatically in the past year, continues within Ontario.

I have no desire to overtax corporations in any way, because I recognize that putting an undue burden on them is likely to ensure that the province is less attractive for the establishment of corporations and thus new employment. Therefore, one must strike the careful balance which will ensure that we do not impede the economic advance of the province by burdensome taxation, but that there is a fairness which must be established and maintained.

We had that here for a long time. We seem to be slipping, and I do not want that to continue to happen. I am sure the Treasurer does not want that either and that he will attempt to do something about it.

I believe the people of this province feel very strongly that something needs to be done related to taxation and that it is time for that activity to be carried out. Although I will support this bill, it is not going to do anything helpful in that direction.

The Acting Speaker: Are there any other members who wish to speak on this bill? If not, the minister.

Hon. Mr. Nixon: I appreciate the indications of support from the two opposition parties. I am particularly interested that the critic for the official opposition is interested in tax reform. She is aware that Michael Wilson has made quite a clarion call, particularly in response to American initiatives, that we must do the same thing here. I am glad to report that we feel he is involving the provinces. We want to be involved and we are prepared to go independently on tax reform as well. I have been in touch with Marc Lalonde and Ben Benson and hope to have them assist me. No, I am just kidding.

I can assure members that over the next year all the provinces and the federal government will be working intensely, looking at the sort of tax reform the member has proposed. I think all of us agree it is time for a thorough review of the situation to strengthen justice, equity and simplicity. We want to do this without injuring our revenues from federal sources, even though those have been substantially injured in the past 16 months since the government of Canada changed to Conservative auspices. It has cost the provinces substantially, and we regret that very much.

Miss Stephenson: I am sorry, that was two years ago. The minister has a short memory.

Hon. Mr. Nixon: On this note of equanimity, if not agreement, I thank the opposition for its support. I agree that the bill is not very far-reaching, but it makes some improvements we think are worth while.

Motion agreed to.

Bill ordered for third reading.

INCOME TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 28, An Act to amend the Income Tax Act.

Hon. Mr. Nixon: The bill implements an amendment arising out of the budget of May 13, as well as some administrative and technical amendments.

In the budget last October, a personal income surtax was introduced for the 1986 taxation year. The surtax is at a rate of three per cent on basic Ontario income tax in excess of \$5,000. I should say in parenthesis that means on incomes of more than approximately \$50,000. The bill extends this surtax in its present form to the 1987 and subsequent taxation years.

Administrative and technical amendments are also being made to bring the act in line with the Income Tax Act of Canada, in accordance with

the tax collection agreement signed with the federal government.

17:10

Mr. Ashe: Once again, I rise. I indicated to the Treasurer and Minister of Revenue last week that I would be drawing my frustrations, concerns and damnation to his attention on each and every one of the budget bills. Frankly, I forgot on the last bill, so I will have to do it twice as vociferously on this one; that is, to damn him, which I do not think in the context I have used it is out of order.

I find it astounding that it was more than five months since the day the Treasurer stood in his place to bring down the budget before he called the first budget bill. I find that very distasteful. I find that thwarts the principle of the operation of the democratic Legislature. I hope he will plan the order of business in a little better fashion following his next budget.

Having said that, I have a few very specific questions and concerns to draw to the minister's attention in Bill 28. I hope he is not going to absent himself for too long. He will have the opportunity to answer some of my questions a little later on.

The very first rather comical one is that we have a bill of some number of sections with some substance and otherwise, but when I read the last two sections of the bill, I find the only thing in this piece of legislation which comes into effect upon royal assent is the following: "The short title of this act is the Income Tax Amendment Act, 1986." That is the only thing that comes into effect on royal assent. It seems rather funny that a whole bill, which is made up of many sections and five pages, would go to the trouble of even making a reference to the fact that this act, except sections 1 to 11, comes into force on the day it receives royal assent. I just read the dissent to that coverage. It is just a little point, not particularly relevant to any substance in the bill, but it seems rather funny.

My main concerns about the Act to amend the Income Tax Act really carries on from the discussions of a few moments ago by my honourable colleague the member for York Mills (Miss Stephenson), talking about the unfairness of the tax system, the inequities within the tax system and the need to stop tinkering, which happens again in this bill, and get down to some legitimate tax reform.

It is nice that we finally have had our neighbours to the south give Canadians generally and Ontarians a little push to do that. The change of two years ago and the Honourable Michael

Wilson becoming Minister of Finance brought something to that process on a Canadian basis, but it will happen, it can happen and it must happen. I am glad to hear the Treasurer has indicated he is quite prepared, quite willing and looks forward to dialogue with the government of Canada in this regard to, I hope, favourably change our total tax system and particularly our income tax system, because with our tax collection agreement, we are so fully tied in with the rules and regulations that are made by the government of Canada.

If we wish to opt to have our own income tax system, as has been done in the province immediately to our east, it becomes another bureaucracy, another rather expensive collection process. The reason I know that is because the previous administration, which was somewhat unhappy for a few years with some of the policies that were being enacted by the former administration in Ottawa, looked at the options, the pluses and the minuses, of setting up our own tax system. Although it gave us much more flexibility and much more room to set tax policy within this province as it relates to income tax, it was going to be very costly to administer. We came to the conclusion that was not another burden the Ontario taxpayer, in any event, should be asked to bear.

I am very concerned at one of the highlights, if I can use the word "highlights," which sounds like a positive thing, in a negative way, within this Bill 28. It is reminiscent of how income tax in Canada first started. It was brought forth as temporary legislation to raise funds to fight a world war. World wars come and world wars go and skirmishes come and skirmishes go, but it appears that income taxes go on for ever once they are in place.

A short time ago, I guess about two years ago now, there was put into effect a surtax of three per cent on provincial income tax in excess of \$5,000. That was meant to be temporary, and there was a particular reason for it at the time. There was to be an end to that; that was supposed to happen. Lo and behold, the honourable Treasurer has espoused that now in Bill 28 and, sitting as the Minister of Revenue, is making it somewhat more permanent. It talks about an indefinite period, but we all know indefinite means it will go on for ever until the whole thing is restructured. I find that somewhat distasteful.

Where has it impacted? We are not concerned that those who are earning \$100,000, \$200,000, \$300,000 and up a year are going to pay an extra surcharge. We do not have any great problem

with that, frankly. Some would suggest it is the people at both ends of the earning spectrum who may have opportunities not to pay any taxes at all or to pay little taxes. I do not think there is too much sympathy there, since a surtax on nothing is still nothing.

When we are talking about a provincial income tax level of \$5,000, we are talking about what I would still call in many instances a middle-class person. Some would suggest it is getting towards mid-to-upper middle class. That is fine, but I suggest that the majority of Ontarians fall into that category or close to it, and this is another bit of pressure on them, their income and their way of life in Ontario.

As I understand it, that particular change alone, along with the normal slight change in the Ontario tax reduction limit, which affects the people at the lower end of the provincial tax frame who do not have to pay any income tax—and that limit went up slightly for the current taxation year as it is wont to do each year—will mean additional revenue on a full tax year to the Treasurer of some \$11 million. That is \$11 million less in the spendable pockets, if I can put it that way, of middle-class Ontarians.

This is another tinkering with the tax system. If the Treasurer wanted to be fair, he should have had the guts to change the whole rate from 48 per cent to 48.1 per cent or 48.2 per cent, or whatever was needed to give him the same revenue, and leave it there on the basis that the whole tax system was going to be reviewed in very short order. I sincerely hope it will be.

There were previous references made, when we were discussing the corporation tax amendments in Bill 27, to the relative amount of taxation being carried in Ontario by the corporate taxpayer versus the personal income taxpayer. There is no doubt that the Ontario government is relying more and more on personal income taxes for its sources of revenue in this province. Of course, that has happened even more since the onerous increases in taxes generally that were put on by the Treasurer's first budget in 1985.

To give an example of only the past two years, in 1984, 24.8 per cent of total government revenues came from income tax. By this year's budget, which we are now implementing, 26.5 per cent comes from personal income tax. That is close to a two per cent increase from just under 25 per cent to 26.5 per cent. That is a significant additional burden for taxpayers in Ontario.

If we want to put that into the total context of looking at corporate income tax and personal income tax—and this is a much longer time frame

and I am not altogether blaming the Treasurer for this movement; it has happened progressively in the past decade—since 1976 revenues raised from personal income taxation have risen from 64 per cent to 72 per cent of combined corporate and personal income taxes. On the other side of that, the decline in the share of corporate taxation from that same pool has been from 36 per cent to 28 per cent in 1986.

17:20

It is fair to say that in a decade we have seen a considerable growth in taxation generally; in this case, personal income tax revenue that has gone from all other sectors on to the average Ontarian. This has happened here in personal income taxes, given the increases in the past couple of years alone. It has been indicated right across the board in other forms of taxation that each and every Ontarian pays each and every day. We see it in tobacco taxes, alcoholic beverage taxes and in general sales taxes.

I cannot impress upon the Treasurer and Minister of Revenue more that I think Ontarians, as a class of people, middle-class Ontarians—again, I keep stressing that the majority of Ontarians fall and strive to fall into that category—are getting to the point where they are more than concerned about the tax burden they are trying to carry.

We are not too far removed from tax revolt. That may be too strong, but those things can happen. Who would ever have thought that there would be a property tax revolt in California a number of years ago? We all know what came out of that. They were not all good things for California. As I suggest, if we had a tax revolt here in Ontario, it would not result in entirely good things for the province.

I hope the Treasurer or Minister of Revenue—depending on what hat he is wearing at any given point—and the Chairman of Management Board too, is listening to the concerns of taxpayers. These are not my concerns; I am only one voice trying to put before him some of the facts and numbers and the concerns generally of the burden Ontarians have been asked to bear.

As for the other items in the income tax amendment, I am favourably impressed with some of the other housekeeping-type changes and the appeal-type changes that are to the benefit of the taxpayer in getting Supreme Court challenges and so on to start sooner; and that interest will not be accessible in smaller amounts. Again, we all know that when one starts sending bills, notices, etc., and following up on small sums, it costs more than it collects.

I am pleased also with section 10 of the bill, which permits the minister to accept and release security for the payment of taxes, interest and penalties, which is similar to authority for other statutes the Minister of Revenue administers.

I close my remarks on this bill by stating that we have some concerns with it. We think this bill has done nothing towards bringing further fairness into the income tax system; in fact, it brings further punishment on middle-class Ontario.

Knowing that the Treasurer is concerned about middle-class Ontario, we hope he will take our constructive criticism, guidance and suggestions to heart and will do something about it at the earliest opportunity.

Mr. Speaker: Are there any comments or questions for the member for Durham West?

Mr. Foulds: I am very sympathetic to the position put forward by the previous speaker about increasing the progressivity of the taxation system and removing the burden of taxation on the individual and ordinary Ontarian. What surprises me is that my recollection is—

Mr. Speaker: I am sorry to interrupt, is the member on his—okay.

Mr. Foulds: I am leading up to the question I want to put to the member. He indicated in his remarks that the burden has shifted. I think the figures he used in one case were from 1976 onward.

I recollect that the previous speaker was the Minister of Revenue in a previous administration. Without wanting him to betray any of the confidentiality of cabinet—he obviously was sworn to secrecy—surely to goodness the previous administration could have taken some steps to reverse the trend that he as Minister of Revenue could see accumulating since 1976. I wonder whether the member will be so good as to indicate to us the steps he as Minister of Revenue and the previous administration took to remove the burden of taxation from what he calls the middle-class Ontarian, but I like to call the ordinary Ontarian, and even from those who have incomes of less than \$20,000 a year.

Hon. Mr. Nixon: I have a comment on the honourable member's criticism that we did not proceed with the taxation bills earlier. I well recall when the Progressive Conservatives had the responsibility of government they would enact the tax changes at midnight after they were announced without any reference to the Legislature at all. For reasons that may seem obvious, we have changed it to when they are enacted, and

in many instances in this budget we have postponed it until January 1, 1987.

There are a number of reasons for that. I felt the legislative program was going to be jammed this spring, as it was, with important and time-consuming debate involving extra billing and certain other pieces of legislation. I thought there would be a suitable time early in the resumed session when a debate on these matters would be appropriate, leading up to their enactment on January 1.

It is true a couple of the provisions, particularly the sales tax provisions, go into effect, I believe, 30 days after royal assent, but I do not apologize for any delay. It has given people an opportunity to express their views on the proposals, and members in the opposition parties and in the government party have responded to those. The member said he is going to castigate me for this on each bill. If he wants to, that is okay. I do not feel sensitive about it. I think it is reasonable and deliberate timing. Members have an opportunity to express their views. The Treasury is neither enriched nor depleted in any significant way because of the delay; so I do not agree with his objection.

Mr. Ashe: I will respond to the question and the point made. The Treasurer was doing fine until he said there was no significant impact on the Treasury one way or the other. I suggest he also identified at the same time one bill that does have significant impact on the Treasury—in this case, in continuing income—that is, the Retail Sales Tax Amendment Act. Some of the provisions do come into effect a short time after royal assent, including his grandiose increase in the exemption on fast food products from \$1 to \$2.

He is saving himself at least half a year's income in that regard. In my view, that is in itself significant. It may not be in the context of the way he looks at it, but it is. Granted, and I think I acknowledged this in my remarks, there is not a great deal of relevance to the current date, particularly with regard to Bill 27 and Bill 28, but I find the whole principle, that it takes more than five months even to call the first one, rather distasteful.

Getting back to the previous administration, I did speak to two indications of time frame. One was 1976-1986 and the other was the Ontario government relying more on income tax even in the past two years, from 1984 to 1986. That was the increase from 24.8 per cent of total revenue to 26.5 per cent.

As far as the growing emphasis on personal income tax is concerned, it has been a concern of mine personally. As the member for Port Arthur (Mr. Foulds) well knows, the Minister of Revenue does not set tax policy, although he brings in the legislation and is responsible for the administration of the act. I did, draw on a regular basis, as I guess all members did, express concern of the growing income tax liability on the taxpayers of Ontario, but again one cannot always use the past as an excuse for the future.

17:30

Mr. Foulds: I have a number of points I want to make on this bill. I want to assure the Treasurer that the phrase "tax reform," which flows trippingly off the tongue of many members in this assembly and in other places, is not always the same term. I believe that tax reform as used by Michael Wilson could very well mean tax simplicity and tax benefits, not to the ordinary Canadian or Ontarian but to what our party has traditionally called corporate welfare bums and those with louder voices.

When we go into these uncharted waters of tax reform, we should be very careful. We need to do it, and I think there should be major tax reform, but I want to put it very clearly on the record that the thrust of what this party is talking about when it talks about tax reform is removing an undue burden of personal taxes and an undue dependence by government on personal taxes and legitimately increasing the sources of revenue from other sources, including incomes.

There has to be a differentiation between personal taxes and income tax. If there is a good income tax system, a true income tax system, whether personal, corporate or whatever, then that is, by and large, a pretty progressive way to tax, because it is based on ability to pay. Unprogressive taxes tend to be things such as sales tax and Ontario health insurance plan premiums. In the case of OHIP premiums, those who have to pay them directly pay on the basis not of an ability to pay but on the basis of a lump sum, no matter what their incomes or sources of revenue are.

Therefore, I want to spell out very clearly in this House that when I talk about tax reform on behalf of the New Democratic Party, that is something substantially different, I strongly suspect, from what the member for Durham West talks about when he talks about tax reform. We will be supporting this bill, and the reason we are supporting this bill is that when I presented it to our caucus for approval, I dubbed it the "making

permanent the make the rich pay some taxes amendment."

Nothing is permanent in this world, but this bill confirms the surtax established in the most recent budget, which was basically an attempt to ensure at the provincial level that people did not use all the loopholes to escape from paying income tax at all. We all know establishing it at the provincial level is not the best way to do it. Establishing it at the provincial level has—I am trying to think of the right word—imposed in some cases a tax on people we did not expect it to hit.

Another thing that needs to be said is that there are people who have substantial incomes, substantial wherewithal, on which to live, no matter how they define that, whether as income or otherwise, who continue not to pay income tax. I find that disturbing. All in all, this bill has introduced an element of progressivity into the taxation system, and for that reason we will be supporting it.

Miss Stephenson: I rise to participate in the debate on Bill 28, An Act to amend the Income Tax Act, with mixed feelings. I am pleased there are some modifications within this act regarding the Income Tax Act of this province, but I believe the Treasurer had the opportunity to do something much more significant and has not considered doing it at this point.

The Treasurer has suggested he is awaiting the results of the deliberations within the federal Department of Finance before considering seriously any action related to income tax activity in Ontario. I understand he does not want to do anything that would contradict, oppose or in any way impede or minimize whatever beneficial effect there may be for taxpayers in the province by modifying the Income Tax Act here, but it is unfortunate that this is so slow in coming.

As the member for Durham West (Mr. Ashe) has stated so clearly, it is obvious that the burden of tax is falling extremely heavily in this province upon the middle-income earners in a way that is quite out of character with the traditional history of Ontario. I remind the Treasurer that the Fraser Institute has calculated this year that the average family in this province now spends within a hair of 50 cents out of every dollar earned on some form of taxation. That has been a very considerable increase.

Mr. Foulds: That is because the Fraser Institute supporters do not pay their fair share.

Miss Stephenson: I am not sure the member can suggest that at all.

A very considerable amount of that increase has occurred relatively recently. The day on which the taxpayers of Ontario started working for themselves instead of working for governments at whatever level was—

Hon. Mr. Nixon: That is a depressing way to put it.

Miss Stephenson: It may be depressing but it is factual, and perhaps we should all think about it.

Hon. Mr. Nixon: No, it is not.

Miss Stephenson: Yes, it is.

That day was June 27, almost the end of the sixth month, which is several days later than it had been for many years before. The Treasurer has suggested that there are some people who have not been paying their fair share. I suggest to him that the group he is talking about probably pays significantly more than almost any other group in this province and has done so with regularity and accuracy for many years.

That is not the matter before us. The matter before us is the bill the Treasurer has introduced, which does precious little except to continue an old Liberal tradition, that is, to introduce a temporary tax and then to ensure it is enacted into perpetuity. They have done this on many occasions in the past. It is an interesting activity that is indulged in by leaders of the governing party with some regularity. As I said to the Treasurer, I have not decided whether we have here a Mackenzie King model or a Trudeau model, but obviously he is following the examples of those who have gone before him at the federal level.

It is an unhappy thought that those people who work so diligently in this province to try to provide for their families, and to ensure that the economic future of the province is sustained, are increasingly burdened with taxes that may eventually stultify some of the creativity and capacity of those people to do the kinds of things they would, given their own initiative, carry out on behalf of their fellow citizens in Ontario.

17:40

I hope the Treasurer, instead of waiting for whatever tax reform comes out of Ottawa—no matter what the definition is that the member for Port Arthur does not like—will begin the process of trying to determine the ways in which he, as the Treasurer of Ontario, can make the tax system fairer, more equitable and simpler for the citizens of Ontario.

I disagree totally with the member for Port Arthur. The fact that the tax system in this

province has become so cumbersome, so complicated, so imbued with all sorts of peculiar little directions one way and another, is not particularly helpful to anyone, and I think it is probably least helpful to the Treasurer in terms of collecting money in the way it should be done, fairly and equitably.

I suggest strongly that simplification of the tax system is one of the activities in which he might become gainfully employed right now while awaiting whatever it is that the federal Minister of Finance determines is going to be done for the federal tax system.

One might even suggest there might be a reasonable direction to be pursued in the thought that Ontario might collect its own income tax. It would be a major departure, but I know the Treasurer has made that kind of suggestion on at least one or two occasions. I am aware that it would provide for a greater degree of flexibility on the part of the government of Ontario if that were carried out in so far as ensuring that the programs that the government feels are appropriate are funded through that mechanism.

I do not think the Treasurer can hide very long behind Bill 28. I do not think, for example, that he can use this as any kind of suggestion that he has done anything very dramatic towards improving the income tax situation in Ontario. I am not sure the member for Port Arthur's favourite activity, soaking the rich, and I am not at all sure that some people who might fall within that category could be construed as rich these days, is entirely the kind of philosophy the Treasurer wishes to leave as the basis upon which taxation that is fair and equitable is carried out within Ontario.

We will support this little, tiny tinkering mechanism which has been introduced by the Treasurer because of the fact we are hopeful the Treasurer, having committed himself to considering seriously the tax system in Ontario, once he has heard what Mr. Wilson is going to do, will carry that out. I would only urge him to begin that consideration before he knows what Mr. Wilson is going to do. Do I understand it is supposed to be next week when he finds out?

Hon. Mr. Nixon: Yes.

Miss Stephenson: It is? Which day? A week today?

Hon. Mr. Nixon: Hallowe'en night.

Miss Stephenson: I see. That does not give him very much time, but I would be hopeful that he has already begun the activity which is necessary in order to try to find a way to relieve the burden from the middle-income earners in

this province—and the lower-income earners—in a way which is going to give them some encouragement and stimulate their interest in becoming more productive and more economically supportive of the province, so that all of us may benefit as a result of that kind of reform.

Reform is necessary and this is not reform, but we shall support this at present.

Mr. Stevenson: I would like to make a few comments on the bill, particularly in reference to the revenue inflow to the government, whether the government really needs it and what it is doing with it. I also have a few comments related to the farm community and how it is being treated with some of the revenue the province gets.

Hon. Mr. Nixon: The member has to be kidding.

Mr. Stevenson: This all relates to income tax revenue; there is no doubt about that.

Hon. Mr. Nixon: How we spend money is not in the bill.

Mr. Stevenson: I am just passing comments on how the money goes.

I look at the Treasurer's budget and I see the significance of personal income tax to the budget of Ontario. I have not worked this out over the past two budgets, but it appears to me that income tax is becoming an increasing share of the inflow of funds to the province.

In the revenues to the provincial government in the past two years—and I look at the comparison between the last budget of our government, that of the former Treasurer (Mr. Grossman) in 1984, and this government's—there is an increase in personal income tax revenue of \$1.7 billion.

As we are aware, I am sure this budget most certainly does not underestimate the revenue of the government. We know there is a sizeable nest egg being held over in the Treasurer's back pocket to hand out as he sees fit in the next few months. I do not doubt that a slice of that approximately \$800-million nest egg is also coming from personal income tax.

When we look at the size of the revenue in this year's budget plan, almost \$8 billion of the \$30 billion in total revenues coming into the province comes from personal income tax. When we look at the average family in Ontario and see the tax burden on it, in light of the major slice the Treasurer took out of the income of the average taxpayer in his first budget, it really starts to hurt many of our middle-income people.

Having not been here today because of being in committee, I do not know what examples have

been given. It has been calculated, and it may already have been said today, that the average income earner in Ontario works till Wednesdays at 2 p.m. to pay his total taxes, and the big chunk goes in income tax to the governments of Ontario and Canada. For the rest of the week, if he is fortunate enough to be a five-day-a-week person, he has a chance to make some money for himself and/or his family.

In light of what the government is doing with the money and the fact that over the last two years it has had a \$5-billion increase in total revenue, a 22 per cent increase in two years, and if one includes the \$800-million nest egg that is in the Treasurer's back pocket, it goes up beyond that—I have not worked it out, but I expect it is in the order of a 25 per cent increase in revenue to this government in two years—and it becomes one of the biggest windfalls any government has ever had in the history of this province—

17:50

When we bring that back to the average income earner in the province and ask how many people have 22 or 25 per cent more disposable income today than they had two years ago, we find there are very few. That is the situation with this government. When we look at the government as a business or an individual or a family, look at its budget and try to picture it in the light of how families or small businesses in this province have to operate, we need to ask how many are fortunate enough to have a 22 to 25 per cent windfall in two years and have the benefit of disposing of take-home pay of that amount, to use for what are hoped to be useful purposes. There are not many who have had that fortune. The Treasurer, of course, is very fortunate to have happened upon the scene when these sorts of revenues were rolling in and the economy was rolling.

Each one of us as individuals does not look so carefully when the Treasurer takes the axe to another corner of our pocketbook. We tend to look the other way. We do not tend to notice as much as when we are in a recession, as we were in 1982 when the member for Muskoka (Mr. F. S. Miller) and the member for St. Andrew-St. Patrick (Mr. Grossman) had to try to deal with very difficult financial situations in government and with individuals and companies around the province.

When we look at the increases in personal income tax in the Treasurer's budget—and these are not Tory figures or anything; they are right here for anyone to see—we see personal income tax, as I say, up by \$1.7 billion in two years. If

we go down through the other items, corporation tax is up by \$80 million; gasoline tax is up by \$40 million; motor vehicle fuel tax is up by \$40 million; land transfer tax is up by \$130 million; the Liquor Control Board of Ontario profits are up by \$93 million; the Ontario health insurance plan premiums, which the government says it has frozen, are up by \$67 million, and on and on. Do they need this surtax on personal income at this time? Does it need to be extended?

When the government puts the money away, as very few individuals can, and does not pay down the deficit, one wonders at the reasoning. The government is continuing to go out and borrow more and more money, while socking the average taxpayer by continuing this surtax to keep up revenues. It really makes one wonder about what useful purpose this serves.

With that comparison of the government with the average taxpayer, there is no question this government has it much better than some of the poor saps it is going after to get the money from. I hope individual taxpayers around the province will take a serious look at this budget compared to their own personal budget and see what this government is doing to them.

The Acting Speaker: Any questions or comments? Do any other members wish to speak on this bill? The member for—is it Wentworth?

Mr. Dean: Soon to be Wentworth East, according to redistribution, but right now we are all kinds of Wentworth.

I do not intend to reiterate many of the things my colleagues have been saying, but I think it is important when we are discussing the proposals for income tax increases or maintenance at the high level, to underline what the government is doing through the Treasurer's insistence on the maintenance of the surtax in particular. A surtax is on top of everything else. One could talk about the other elements of the income tax take, but I believe they have been covered very well by my colleagues the member for Durham-York (Mr. Stevenson) and the member for Durham West (Mr. Ashe).

The real point I want to make, and I do not have to spend a long time making it, is that the portion of the population which will be impacted upon by the continuation of the surtax—and who knows, maybe somebody will get a bright idea some time to raise the surtax once we are accustomed to this level—is exactly that portion of people who are having a difficult time keeping their incomes abreast of increasing costs.

By and large, those are the people who will give leadership and will provide through their

own efforts and their own innovation, a stimulus to the economy by—how shall I put it?—their entrepreneurial activities and by their willingness to take part and lead the community. Many of them are average taxpayers who are going to ask, “Where in the world is the government’s appetite for more of my take-home pay going to end?”

I know each of us individually as members have occasions when we say, “I wish there was more of a particular government program in my riding or of a particular project which I think is very worth while, even if it is not in my riding.” This is a natural feeling that will come if we are truly representing our constituency, whether it be a geographic or an interest constituency.

At the same time, as members of the Legislature, we cannot help but spend a great deal of time, when we do have a reflective moment, wondering how we can continue to be responsible legislators and not call for a halt to or a very strict screening of the ever-increasing demands on the public purse. I do not have to answer for those things, because that is the Treasurer’s job.

It should be pointed out to the Treasurer and to his colleagues in the cabinet, however, that at a time when Ontario is in one of the better economic periods it has experienced for the past decade, it rings a little hollow with some of us who have been in the practice of working hard for our money to see that the government is not taking this opportunity to retire some of the deficit or at least to make the books balance on a current basis. I recognize that the Treasurer is by nature a very frugal person. I will not say stingy, because I do not think that is right.

Mr. Stevenson: Cheap.

Mr. Dean: Cheap? Is that guy a chicken, or is the Treasurer speaking?

In any case, he is not a person who wantonly throws away money. However, I think he may have been impeded in his natural good intentions by some of the calls that have come upon the Treasurer in his capacity as the watchdog of the public purse and has been unable to muster enough support among his colleagues to bring into effect a balanced budget or one even headed towards a balance.

18:00

I remind the members that when the present leader of my party was Treasurer, he was able to decrease the amount of deficit for the year, heading towards a balanced budget. Unfortunately, we have not seen that in the two budgets the present Treasurer has brought in. It has been a source of great disappointment to me, personally

as well as politically, because I did regard the Treasurer, in spite of any shortcomings he may have, which are not evident, as a person who was careful with a dollar.

That is the only way we can begin to come to grips with the fairly heavy tax burden—I might say excessive burden—that the middle-of-the-road population in Ontario is being asked to bear. One could say reduce the tax, and that would be very desirable. If, as the Treasurer says, he cannot reduce the tax, the other thing is to reduce the expenditure. With the kind of windfall tax revenue the present government has fallen into through no effort of its own, it should be quite conceivable that the Treasurer could whittle away at some of the programs.

Knowing he is going to get additional revenue from the good luck of prosperity at this time, he can easily minimize the surcharge. If he cannot actually take the surtax off, if it is not possible to remove the surtax, it would be a matter of great comfort for people to know that he was thinking of the welfare of the ordinary taxpayer by decreasing it to one per cent, a nominal amount, but I think it should be removed.

I offer him two suggestions in the matter of this tax surcharge. One is to take it off. The other is that, if he insists that it has to stay on, it should be applied specifically to the reduction of the accumulated deficit. That would make many of the people who are going to be saddled with this extra tax feel a lot more comfortable about being asked to pay it, because they will know that in doing it they will be getting rid of a charge against the province and will not have to pay interest next year on a debt they have not paid off this year.

Again, I know the Treasurer is somebody who does look to the next generation and is not thinking only of himself. We must remember we are going to build up an ever-increasing debt load and an ever-increasing call for money to pay that debt and any interest on it for the generation that comes after us if we do not have responsible financial management now.

Whether it is correct for the government to rely on income tax to an ever-increasing degree to pay the expenses of the government of Ontario is a moot point. I am sure it was thought a very fair one when it was first brought in 70 years ago, or whenever it was first instituted, because it represented, by being a graduated tax, a contribution from people who were supposed to be able to pay.

We are now relying so much on the large middle group of income earners to finance the

expenditures of government that before long some of those people are likely to ask: "Why should I knock myself out earning more income? Why should I put in that extra week's work, that extra hour every day, or risk my capital, that extra amount, if I am going to get socked in the end by having an ever-increasing amount of it stripped from me for tax purposes."

The member for Durham-York (Mr. Stevenson) described graphically how much of the week and the year we are working for ourselves. It is getting to be less and less of the time. I know this is not the time to get into a discussion on tax reform, but there is a need for it.

An hon. member: It is as good a time as any.

Mr. Dean: I hear one of my colleagues saying it is as good a time as any. I will leave tax reform for others to cover. I am sure it is on everybody's lips these days, and it may mean a different thing in different people's conceptions.

I will summarize, Mr. Speaker, because I know you cannot maintain your present level of interest for ever, by saying the Treasurer is wrong in continuing this three per cent surtax on provincial income tax. A tax on a tax is never very acceptable, and I seriously ask him to consider changing it.

Mr. Barlow: I am pleased to join in the debate to discuss Bill 28, An Act to amend the Income Tax Act. Like my colleague the member for Wentworth (Mr. Dean), who has just finished speaking about the three per cent surtax on provincial income tax in excess of \$5,000, I do not agree—in fact, I strongly disagree—that this tax should be continued at this time. It has been in place to serve a particular purpose. There was a need for it, but it is something that cannot go on indefinitely. It must come to an end, and I see no reason why it should not end right away. Then we can get on and reform the whole tax system and bring in the proper forms of taxation and the revenue required to run a province the size of Ontario.

There are other changes that fall under this bill. The whole structure of taxation has to be reconsidered by this government. It is something that after today's announcement—and I do not know whether there has been any information made available. I have not seen anything of Mr. Wilson's Ottawa proposal yet, so I do not know how it will affect Ontario, but it is an opportunity for Ontario to look at its overall taxing structure, both income tax and other forms of taxation. We will all look forward to seeing that come out in tonight's and tomorrow's press so that we can properly analyse it and see how it will fit in with

Ontario's needs to raise the revenue to carry on the programs that have been in place and the new ones coming on stream by this and previous governments and on into the future.

The Income Tax Act has been in place for 10 these many years and has been amended on many occasions. Some amendments have been for the good and some have been detrimental to the so-called middle-income earner, the one who is particularly hard hit by all forms of income tax.

The form this government has seemed to develop, not only of income tax but also in its tinkering with taxation all through its budget bills and the two budgets it has brought in, is something that has to come to an end. This is probably as good a time as any for it to end. All forms of taxation have to be understandable to the public and all forms of taxation must be brought in so they are fair to all those who are footing the bill to run the province.

I wanted to make these few comments on this particularly important piece of legislation and let the Treasurer know how the people of Cambridge feel about his proposals for income tax changes.

18:10

Mr. Foulds: I want to ask the member to define "middle-income earner."

Mr. Barlow: I appreciate the opportunity to define middle-income earner. One would almost have to say those people who earn between \$15,000 and \$25,000 are considered middle income at this time. People who fall into that category are the ones who have to be protected.

Mr. Andrewes: At this time of day it is often difficult to keep the debate going, particularly with such a small audience.

I would like to seize on the opportunity to welcome Dr. Pengelly. I am always glad to see him in the gallery even if he is watching from behind my back.

I had the pleasure of travelling to southwestern Ontario today. The member for Essex South (Mr. Mancini) was not there to welcome me to his part of the world but I was there nevertheless. I was in Chatham speaking to a group who are very concerned about tax bills and other things, but more particularly about palliative care. However, on the way down and on the way back, I was treated to various news reports about the proposals for revising taxes by the federal Minister of Finance, Mr. Wilson, and particularly about his tax reform of the Income Tax Act.

What he is saying, in effect, is that he intends to lower income tax, to close some of the loopholes on corporate exemptions, to shift some of the burden that is now on the individual

taxpayer over to the corporate side and to broaden the base of the sales tax. It sounds very familiar and it sounds almost like it is the same value-added tax that was ringing around the halls in Ottawa for some time prior to the last budget.

Certainly the federal minister, Mr. Wilson, is convinced that he must make this move in a timely way for the benefit of Canadians. He is prompted to do this because the Reagan administration in the United States has done a substantial tax reform. He is concerned that, as a result of that reform in the US, potential Canadian investment may find its way there rather than being placed in Canada.

We are told that in the US there are some six million taxpayers who are currently removed from the tax rolls. There has also been a dramatic shift away from personal income tax on to the corporate side, a shift which by the most recent calculation is significantly more than the Treasurer would gain from the tax amendments he has in this bill, about \$100 billion in tax that has been shifted from the backs of individual taxpayers on to the corporate side.

Mr. Wilson went on to say he wanted an income tax system that would be fairer and easier to understand. All of us, certainly those of us who have attempted to sit down on April 29 each year to wrestle with our own tax returns, often without the benefit of those receipts we had so carefully placed in a file somewhere, which we cannot locate, applaud him on that count.

He also said tax reform would move towards a fairer tax system. I think it is important that the Treasurer seize on the opportunity to provide input into that federal debate. It is almost a must, since in its taxing system Ontario basically must piggyback on the methods by which the federal government does its tax assessment.

However, we do have a problem in Ontario. We can look forward to it—if we can say look forward to—but certainly we can anticipate, come next budget time, bills to amend the Income Tax Act, the Gasoline Tax Act, the Tobacco Tax Act and the tax on alcohol and other budgetary reform measures, if one can call them that, and I would be less than candid if I really felt like calling them that, to take care of a plethora of promises the government still has on its plate, a menu of promises that it offered to people of this province during the election campaign of 1985.

There were promises such as the banning of Ontario health insurance plan fees, a promise that, in my view, will cost in excess of \$900 million; a provincially funded dental plan, with no estimate of the cost there; what will no doubt

be a substantial alteration in the fee structure payable to doctors in the province as a result of Bill 94; daily commitments made by the Minister of Colleges and Universities (Mr. Sorbara) towards that jurisdiction; and financial commitments made by the Minister of Health (Mr. Elston), for which he has some difficulty in finding sufficient cash flow to meet.

I am reminded it was only about three weeks ago that a number of mental health groups in Ontario held a press conference and publicly indicated that although they had been promised funding to fund housing projects in Toronto, Hamilton, Ottawa and three northern communities, the Minister of Health had failed to meet those commitments. Oddly enough, it was the Hamilton-Toronto-Ottawa combination that held the press conference and it was those three communities whose appeal was answered. The other three are still waiting desperately for a commitment made to them in the spring of 1986, a commitment they proceeded on in good faith and which obviously met with some difficulty when dealt with at the Management Board of Cabinet.

18:20

However, it is interesting that the principle of the squeaky wheel, where a group can publicly embarrass the government and that public embarrassment is quickly dealt with by the good old chequebook, can still be applied. No doubt we may anticipate opportunities for substantial tax increases in the next budget as the Treasurer moves to meet the appointment his leader made with the public in the spring of 1985, to meet those obligations in a timely way leading up to the next provincial election.

Before I close my brief remarks—

Mr. McClellan: Before he nods off, before he dozes off.

Mr. Andrewes: Yes, please do not.

Mr. McClellan: Them, not me. They will be having trouble staying awake.

Mr. Foulds: It is the member for Lincoln we are worried about.

Mr. Andrewes: Before I conclude these brief comments, I urge the Treasurer, in altering his tax program, whether through the provincial income tax or the other forms in the province, to look very seriously at the current level of taxation on alcoholic beverages. It is a matter that comes very close in terms of the Income Tax Act—

Hon. Mr. Nixon: When you are in the liquor store every day, it must come to your attention.

Mr. Andrewes: Certainly, it is a matter that is brought to my attention on many occasions, particularly when one is talking to the tourist industry or when one happens to pass by a grape grower toiling in his field.

Mr. Foulds: Because of that, he cannot pay the income tax imposed by this act. Right?

Mr. Andrewes: As a result of the rather difficult taxing measures the province imposes on the finished product, he may find it somewhat difficult to meet his obligations to the Treasurer under Bill 28 and may find it difficult to meet his obligations to the Treasurer under other acts, such as the Gasoline Tax Act.

Mr. McClellan: How many acts can you think of? Quick.

Mr. Andrewes: There is the Tobacco Tax Act. It is on behalf of that community that I want to make an appeal to the Treasurer.

Hon. Mr. Nixon: This is unconscionable delay. The Premier (Mr. Peterson) is not going to be pleased. We will add this to the Premier's list.

The Acting Speaker: Order. The member for Lincoln will address his remarks to the chair.

Mr. Andrewes: Through you, Mr. Speaker, on behalf of that community, I want to make an appeal to the Treasurer to consider—

Hon. Mr. Nixon: Is the returning officer appointed in Lincoln?

Mr. Andrewes: They are appointed for life, are they not? No?

Mr. McClellan: That is what they thought, but it turned out to be only 42 years.

Mr. Andrewes: Are they offered the same retirement package? May I make that inquiry? Mr. Speaker, I am sorry for the slight diversion. Perhaps I will offer my colleague the member for Nipissing (Mr. Harris) an opportunity to add to this debate.

Mr. Harris: The Treasurer and government House leader indicated he had some remarks he wished to make. It is very close to 6:30 p.m., and if the Treasurer wishes, I can move the adjournment of the debate at this time and begin my remarks on Monday. That would allow time for the Treasurer to make his comments. If that is not in order, I do not mind starting.

On motion by Mr. Harris, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Nixon: This unconscionable obstruction will not go unremarked.

I want to indicate the business for the coming week.

On Monday afternoon, October 27, we will continue with Revenue and Treasury bills. On Tuesday afternoon, we will commence second reading debate on Bill 134 and Bill 135, and following on Wednesday and Thursday afternoons, if time permits, any Revenue or Treasury bills not completed on Monday. Then we will deal with Bill 107, legal aid; Bill 8, French-language services, in committee of the whole;

Bill 12, compensation for victims of crime; Bill 70, provincial offences; Bill 72, powers of attorney; Bill 128, employment standards. On Thursday morning, private members' public business stands in the names of Mr. Offer and Mr. McCague.

I would like to remind all members that the House will commence sitting from 1:30 p.m. to 6 p.m. on Monday, October 27.

The House adjourned at 6:27 p.m.

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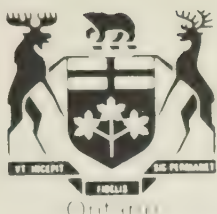
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Legislative Assembly of Ontario



Second Session, 33rd Parliament
Monday, October 27, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, October 27, 1986

The House met at 1:30 p.m.

Prayers.

MEMBERS' STATEMENTS

PRAYERS FOR PEACE

Mr. Andrewes: Today marks an important day for all those who are committed to and believe in world peace. In the town of Assisi in Italy, Pope John Paul II has gathered together 160 of the world's religious leaders to pray for world peace. As part of the special event, the Pope has called on all people to lay down their arms in a worldwide 24-hour truce. We praise and join in the efforts of His Holiness.

With the peace and freedom we enjoy here in Ontario, it is often easy to forget the trouble and the strife so common in other parts of the world. Today is a day on which we who live in relative isolation from the conflicts of the world should reflect on our good fortunes and join His Holiness and his colleagues in their prayers.

ROBERT SMART CENTRE

Ms. Gigantes: I would like to raise before members of this Legislature and particularly before the Minister of Community and Social Services (Mr. Sweeney) the grim situation that exists in the provision of services at the Robert Smart Centre in Ottawa where young people between the ages of 16 and 18, who are troubled young people, are supposed to be receiving service and where their care workers are on strike.

All but \$30,000 of \$2.7 million a year for the funding of the Robert Smart Centre comes from the Ministry of Community and Social Services and other agencies of the provincial government. The 53 workers have to provide day, night, weekend and holiday service and attempt to provide programs that are going to make a difference to the lives of their clients.

The turnover in staff at that centre, according to management, has been 30 per cent to 40 per cent annually. That is an indication of the kind of conditions they are working under and the pay levels they are getting. In the latest round of negotiations, the centre has offered a three per

cent increase in salaries this year and three per cent next year.

The thing that startles me, and I think will startle other members of the Legislature, is to learn that the management at this centre has hired a professional negotiator to deal with 53 care givers. It requires the attention of the minister and the attention of the public in Ontario when our services are jeopardized in this way.

CHAMBER OF COMMERCE AWARDS

Ms. E. J. Smith: I want to take this opportunity publicly to congratulate two London companies that have won nationwide awards, the Canada Award for Excellence.

The London Life Insurance Co. has won the gold medal for its excellence in production. Sterling Marking Products Inc. has won the silver medal for excellence of design. These two awards were won in a nationwide competition, and London was the only city in Canada to win two awards in this Canadian Chamber of Commerce competition.

I recommend to all members of the House the firm of Sterling Marking Products when the next election comes by. Its president, Bob Schram, will be more than happy to help members with election products for their campaigns.

RICK HANSEN

Mr. Rowe: I am pleased to rise this afternoon to pay tribute to a great Canadian, world-renowned athlete Rick Hansen. As this House will know, Rick's Man in Motion world tour, in an effort to raise \$10 million for spinal cord research and rehabilitation and wheelchair sports, is gaining great momentum. We witnessed evidence of this yesterday in Ottawa, where he was greeted by 5,000 supporters and received a most generous contribution of \$1 million from the Canadian government.

As Rick's marathon crosses our great province, I urge not only this government but also all my colleagues in this House and all residents of Ontario to continue their show of support, both financial and moral, for this most courageous young Canadian.

With his relentless energy and exceptional attitude, Rick is an excellent role model for

young people all over the world. I say to you, Rick, we are all behind you; keep up the great work.

TEACHERS' PENSIONS

Mr. Allen: The Minister of Education (Mr. Conway) and the Treasurer (Mr. Nixon) are aware that 2,000 teachers who have taken early retirement based on pension figures supplied by the Teachers' Superannuation Commission now find their pensions reduced by up to \$160 a month because of an error in the original calculations made by the commission. To date, neither the government nor the commission has responded in substance to these retirees, who made an important life decision based on an erroneous calculation.

I want to remind the government of the purpose of the legislation. Just as the early retirement legislation I had a hand in helping frame earlier this year was intended to cope with a major problem in the surplus of teachers, which was making it very difficult for young teachers to find work—

Hon. Mr. Nixon: That is right; that is the major problem.

Mr. Allen: Yes, and the problem has been significantly relieved. However, it was not intended that in the process, people would get hurt by bureaucratic error or lack of clarity in legislation.

In the name of fairness, will the government not ensure, by amending the legislation if necessary, that these retired teachers have their pensions restored to what they were told and believed they were entitled to?

In the light of what has happened, will the government not strengthen the perspective of planned participants in the public pension plan review currently under way and insist, for example, that Mr. Rowan, the one-man task force, consult with participants as well as administrators and financiers?

HOSPITAL FUNDING

Mr. Ferraro: I rise very briefly today to thank publicly, on behalf of my constituents in Wellington South and many of the constituents in Wellington county, the Minister of Health (Mr. Elston), the Treasurer (Mr. Nixon), the Premier (Mr. Peterson) and my government. After 20 years, we have the commitment for a hospital redevelopment project. That includes \$53 million.

The money is two thirds of the portion needed to complete the long-awaited hospital redevelopment

ment. On behalf of all my constituents, I want to say publicly, thank God for the Liberals, thank God for this government and thank God for the money.

MINAKI LODGE

Mr. Bernier: As this House heard last Thursday, October 23, 1986, the Premier (Mr. Peterson) announced over CBC Radio the sale of Minaki Lodge. In addition, the Minister of Tourism and Recreation (Mr. Eakins) made a statement in the House following the Premier's announcement—without, however, giving any specific details regarding that sale.

Is it the intention of the government to give Minaki Lodge away in the same way it virtually gave the Urban Transportation Development Corp. to Lavalin? We have heard that the price agreed is \$5 million for this approximately \$30-million investment. If this is true, then the sale is obviously another massive Liberal giveaway, one that truly requires some scrutiny.

In view of the government's determination to hold a fire sale for any or all crown corporations, one must wonder whether anyone on that side of the Legislature has any true knowledge of sound business affairs. This is no commitment to northern Ontario; this is another Liberal insult to northern Ontario.

VISITORS

Mr. Speaker: If I could have the attention of all members, we have a number of distinguished visitors in the Speaker's gallery today. I ask you to join me in recognizing the House of Commons agricultural committee from Westminster. They are Sir Richard Body, chairman; John Carlisle; David Harris; Andrew Stewart, and Thomas Torney. Joining the group is the British Consul General, Bryan Sparrow. Please join me in welcoming them.

13:42

STATEMENTS BY THE MINISTRY AND RESPONSES

FOREST MANAGEMENT

Hon. Mr. Kerrio: I rose in this House a year ago—on October 18, to be precise—to inform honourable members that an independent audit of the forest management practices of the Ministry of Natural Resources would be carried out by a distinguished forestry expert from outside Ontario. I emphasized then that this independent review would be part of a comprehensive strategy to evaluate and update our forest

management procedures and to provide greater public scrutiny of the processes of government.

I am proud to say that over the past year we have made considerable progress on that commitment. The practices of my ministry have been open to unprecedented public examination and review. I am confident that the result will be improved forest management techniques and administration and a strengthening of public confidence in our work and in the future of our valuable forest resource.

As honourable members know, I have already released to the public a report on forest management by the Provincial Auditor, as well as the ministry's response to that report. I have also made public the first five-year reviews of the first forest management agreements, or FMAs, in Ontario. I plan to release the second set of FMA reviews shortly, and the class environmental assessment hearing into the ministry's timber management practices will begin within the next few months.

Last month I made public a report, *The Audit of Management of the Crown Forests of Ontario*, conducted by Dr. Gordon Baskerville, dean of forestry at the University of New Brunswick. Since the House was in recess and I was anxious not to delay release of the report, it was made public at a news conference in Thunder Bay on September 4. On the same day, I released a document called *The Forest Resources of Ontario, 1986*, a report on the nature and extent of our forest estate prepared by ministry staff.

Since then my ministry has been preparing an action plan to respond to Dean Baskerville's report. In addition to our ongoing reviews of forest management in Ontario, I am pleased to table that action plan today. The day after release of his report, Dean Baskerville met with key foresters from the ministry in Thunder Bay for an all-day workshop. This month he met with the ministry team drawing up our action plan. His advice has been most helpful. My deputy minister and senior ministry staff have received suggestions on what should go into the action plan from all across the ministry, including field staff in the districts and the various regions.

However, before I talk about the plan itself, I would like to share some remarks made by Dean Baskerville at the Thunder Bay news conference. He said: "In my opinion, the structure of forest management in Ontario is sound. The operation of the structures needs attention, mainly to ensure that what Ontario gets in the forest over time is indeed what Ontario is aiming for. The

fundamental need is for the ministry to examine and refine what is essentially a sound approach."

To me, that means that we have our feet on solid ground. We need to shift our position or modify our stance in some areas, but we have a firm base on which to move.

The action plan deals with the five major issues which Dean Baskerville identified as requiring action. We have formulated a number of specific initiatives to meet those concerns. In a few cases, changes were already under way.

In all, there are some 16 parts to this action plan. I cannot take the time of the House to read all of them. Members will be receiving copies of the plan and a summary of the 16 initiatives. Therefore, I will highlight only some of the decisions we are taking.

We have placed firm targets on the changes to be made. For example, the Ontario wood supply model, which the ministry uses to determine harvest levels, will be modified to provide improved local projections. The new supply model will be in the hands of all field foresters by December 1987.

New information on timber volumes for areas of the existing natural forest, specific to the management unit level, will be available by December 1987. A current survey of the new, regenerated forest to determine areas, species and growth will be expanded to cover the whole province and completed by December 1988.

Beginning in 1987, all new timber management plans will contain clear statements of objectives that are measurable and attainable. A new forest production policy, taking into account the supply capability of Ontario's forests and the demands of industry, will be developed and completed by October 1988.

Another feature of this action plan is its use of experts from outside government. A group of ministry and forest industry persons under the chairmanship of Dr. James Kayll, director of forestry at Lakehead University, Thunder Bay, will establish more detailed criteria for forest stand allocation to ensure the best timber utilization. This is right in line with one of the recommendations in the recent report on resource-dependent communities in northern Ontario.

A panel of academics in the forestry field will advise the ministry on appropriate training for upgrading the expertise of our practising professionals.

A group headed by Dr. Robert Rosehart, president of Lakehead University, will evaluate the ministry's forest resource inventory, or FRI.

The group will include environmentalists, academics and forest industry representatives.

Dean Baskerville said in his report that the FRI is a reasonable base as used in current forest management planning, but he noted that we have a public credibility problem with the inventory. It would be impractical physically to count every tree in the forests of Ontario. The key issue here is the validity of the ministry's techniques for assessing the forest inventory.

We are counting on Dr. Rosehart's committee to provide us with a definitive assessment of the forest resource inventory and recommend a process for verifying it on an ongoing basis.

As members can see, we have done a lot already, but some parts of this action plan involve further studies, which will be made public when they are completed. I would like to emphasize that these studies are needed to ensure that the changes we make are the right ones. I can assure members that we will take the appropriate steps when the results of these studies are in hand.

Dean Baskerville did not present us with a list of specific recommendations. He left it to the ministry to work out reasoned solutions to some complicated problems and he cautioned against quick, knee-jerk responses. We are mindful of that advice.

In conclusion, I draw members' attention to the breadth of this plan. The process of reform that we have set in motion is not mere tinkering. This plan is a major step forward. It will carry forest management in Ontario into the 21st century.

Mr. Bernier: I am pleased to respond to the statement of the Minister of Natural Resources on his action plan for forest management. I have to say that the road to Damascus has many conversions. For 42 years, we listened to that party say how bad the administration of the forests of this province was and how terrible and insensitive we were. I am pleased to hear what the minister said. I want to quote what he said. "In my opinion, the structure of forest management in Ontario is sound." That vindicates us for all the accusations he passed on to us for so many years. That is a major conversion. In 16 months, he has realized that things are not bad out there; things are pretty good.

The problem, as Dr. Baskerville has pointed out, is not with the forest management of yesteryear; it is with the administration and the methodology being used within the ministry itself. I am most pleased with and commend the minister for taking action on the report so

quickly, even though I feel we could have found somebody in Ontario who could have done Dr. Baskerville's report. Surely a province of this size with two major faculties of forestry could have found somebody of equal capability rather than having to go to New Brunswick.

I am sure my colleagues to the left will condemn the Baskerville report as not being a true audit according to what they expected in the accord, but I will let them say that.

I am pleased that the minister has identified some specific areas in which he is going to move and that he has put specific dates with a plan of action. We will hold him to that. The minister said, "The new supply model will be in the hands of all field foresters by 1987." That is commendable, and we hope he will achieve that goal. He said, "A new forest production policy, taking into account the supply capability of Ontario's forests and the demands of industry, will be developed and completed by October 1988." I assure the minister that this party will hold him to those specific dates because we want them in place.

Mr. Laughren: I would like to respond to the response of the Minister of Natural Resources to Dean Baskerville's report, or actually his audit of the Ministry of Natural Resources; I hasten to add it is not his audit of the forests but his audit of the Ministry of Natural Resources. The minister has fallen into a trap in that he has responded to an audit of his ministry by shuffling people and programs around within the ministry and has not done anything about what is going on in the forests.

When Dean Baskerville tabled his report, he pleaded with the opposition in particular not to take any quotations in that report out of context for fear the Minister of Natural Resources would act defensively and be resistant to change. We heeded his comment; we were very reasonable in our response to Dean Baskerville's report and decided to wait until we heard what the minister had to say. Today the minister has had his say, and guess what? He is defensive and resistant to change, the very things Dean Baskerville was worried would happen if we were too critical of his report.

The member for Kenora (Mr. Bernier) quoted the minister as saying, "In my opinion, the structure of forest management in Ontario is sound." Talk about taking something out of context; that is exactly what the minister has done. We heeded Dean Baskerville's pleading, but the minister did not.

We know the minister has done nothing more than shift a few things around within the ministry. The best example is that for some time the director of the forest resources group in the Ministry of Natural Resources has been Ken Armson, a well-respected Ontario forester. What does the minister do? With great fanfare, the minister says Mr. Armson is going to be the provincial forester. It is simply a change in title; nothing more, nothing less. The minister should not try to pretend that is a major shift. All it is is a shell game, and Mr. Armson is the pea.

This party has called for five major steps to be taken by the ministry to resolve the problems of Ontario foresters: (1) to do a proper, independent, on-the-ground audit of our forests; (2) to amend the Crown Timber Act to make sustained yield a statutory requirement; (3) to appoint a permanent forest auditor to resolve the problem of everyone suspecting the figures that come out of the Ministry of Natural Resources, as they have done for years and will continue to do as long as the ministry is producing the numbers; (4) to develop an up-to-date production policy, which the minister apparently is going to do, because it looks as though a new, up-to-date production policy is going to be established, and I commend the minister for that; and (5) to guarantee that the backlog of cutover forest land not sufficiently regenerated will be rehabilitated in 20 years.

The fifth step may be taken as a result of the forest management agreement, but we will never know until a proper audit is done, because one has not been done yet and the results of the five-year forest management agreement show there still is a problem with regeneration in Ontario's forests.

We have not heard the last of forestry as an issue in this province, because the minister is still resistant to change.

INTEGRATED HOMEMAKER PROGRAM

Hon. Mr. Sweeney: The government of Ontario is committed to helping all its citizens to remain as independent as possible for as long as possible, regardless of age or physical handicap. In keeping with that commitment, I would like to inform the House of the 10 communities that have been selected as the new sites for the integrated homemaker program.

Independence and self-determination are important life goals for all adult people. They are no less important to the frail elderly and the physically handicapped. It has become part of the

government's mandate to help these people to enhance and maintain these attributes.

On January 28, 1986, I announced the introduction of an integrated homemaker program providing personal care and homemaking services to frail seniors and physically handicapped adults in their own homes. The chief goal of this program, which has been developed jointly by my ministry and the Ministry of Health, is to assist these people to remain independent and to allow them to continue to live at home, close to their friends and families, instead of in a facility.

The program is now operating in six locations throughout the province. In June, I announced it would be expanded to a number of additional communities during this fiscal year. Today, I am announcing the locations for that expansion. The cost of this expansion will be up to \$12 million a year. The program will continue to be expanded over the next few years. When fully in place province-wide, its total cost will be approximately \$60 million annually.

The 10 new locations for the integrated homemaker program will provide services for people living in the following communities: the district of Algoma; Brant county; Grey and Bruce counties; Haliburton, Victoria and Northumberland counties; Middlesex county; the regional municipality of Ottawa-Carleton; Oxford county; Perth county; Peterborough county, and Renfrew county.

Mr. Foulds: Sounds like Loto Comsoc.

Mr. McClellan: Only two Tory areas.

Hon. Mr. Sweeney: There are five opposition areas.

These new sites, along with the six original locations, were selected on the basis of a number of criteria. Most important, each area has a significant population of elderly people and a well-established home care program in operation. I am pleased that these communities have undertaken to work with my ministry and the Ministry of Health during this important second phase of developing a province-wide integrated homemaker program.

While the program is delivered through the existing Ministry of Health home care units and is funded by my ministry, I emphasize that this program complements rather than competes with existing services. Recipients of other homemaker services must qualify under a medical test through the Ministry of Health or under a needs test through the local municipality. Under the integrated homemaker program, there are no medical or financial tests. Service is available

based on need. People previously denied the assistance they need to stay in their own homes now can qualify.

I would like to acknowledge the work of my colleagues the Minister without Portfolio responsible for senior citizens' affairs (Mr. Van Horne) and the Minister of Health (Mr. Elston) in helping to identify and respond to the needs of seniors in this province.

With the expansion of the integrated home-maker program into a total of 16 communities, I believe we are truly helping them to achieve that most important goal: to live as independently as possible for as long as possible.

Mr. Dean: I want to assure the minister and the members of his party that we have supported this kind of initiative for a long time. I congratulate the minister on prying loose from the Treasurer (Mr. Nixon) some additional funds for this. I notice the Treasurer's riding seems to be very high on the list; it says "county" here, which I know includes the rural part.

The expansion as listed is welcome. However, some consideration should have been given to the actual choice of the locations. Naturally, everybody would benefit from it. I understand it has to be done a portion at a time. One thing that is not indicated in the announcement is whether it is going to be made available more hours per week. Those of us who have studied it know there is a crying need for more hours per week of home care. While it is available at certain hours now, it is not available all the time.

Also, there is something not touched on; I suppose this is because it is not directly part of it. I await with bated breath to hear what the minister or his associates are going to do about additional respite care. It is a balancing factor in this. It would provide more of an opportunity for the friends and relatives of individuals who need care to carry on longer. It would reduce the cost to the government by giving them a break that is much needed. I call that to the attention of the minister as something he should address shortly.

The other thing is that no matter how much we support home care, and we support it 100 per cent, there comes a time when some residents are no longer able to be maintained in their homes. There is still a need at some point for some institutional care. I regret to say the present government does not seem to have recognized this. There has been no action in that direction since it assumed power. In the area I come from, Hamilton-Wentworth, we have a large backlog of people who are in dire need of care in an institution. There does not seem to be any

additional home care provided. No additional beds have been provided. The minister should address this with his colleagues as part of a total program to enable the elderly to receive—

Mr. Speaker: The member's time has expired.

Mr. D. S. Cooke: I would like to respond briefly to the statement of the Minister of Community and Social Services. First, we are happy that this program is being expanded, but perhaps we should look at it and put it in context. The \$12 million is approximately the municipal contribution to the chronic care hospital that was announced in my community last week. The \$12 million is about one third the cost of a chronic care hospital.

If we are to get serious about community support programs, we have to talk about a lot more money going into community support programs. The entire community support program, including any kind of home support program, is based on minimum wage. The biggest subsidy to home care in this province is not provided by the provincial government or the taxpayers; it is provided by the employees in the home care programs who are working for minimum wages.

The minister should talk to some of the people from the Red Cross and find out the staff turnover—more than 100 per cent per year in some areas. One can never develop a proper home care program and accept it as an integrated part of the health care system on a minimum wage basis, and I encourage the minister to perform that quickly.

14:05

ORAL QUESTIONS

FRENCH-LANGUAGE SERVICES

Mr. Grossman: I have a question for the minister responsible for francophone affairs. Will the minister share with the House whether he believes francophones should have school facilities of lesser quality than anglophones?

Hon. Mr. Grandmaitre: I thought this government responded very well when it introduced and passed Bill 75. This government intends to treat all people in the province equally.

Mr. Grossman: The minister might be aware that his government has decided to appeal the ruling in the Marchand case which specifically would have ensured and required that francophones in Ontario get the same quality of facilities as anglophones.

Let me quote from the decision of Mr. Justice Sirois. He said francophone Ontarians have a constitutional right to "the same education as is given the majority but in the other official language." He also said, "This is to be a full and complete education; not a limited, partial or truncated one, which necessarily would be an inferior education, a second-class one."

I know the minister will share my conviction and that of my party that this statement is eminently correct. Can he explain why his government has chosen to appeal this decision which, if it were allowed to stand, would give francophones the quality to which they are entitled?

Hon. Mr. Grandmaître: This government decided to appeal the decision, along with the Simcoe County Board of Education, because in the decision of Judge Sirois, words such as "equivalent" were used. We thought the passage of Bill 75 gave francophones the right to an education. This government wants to clarify the use of the word "equivalent," and that is why we are appealing.

Mr. Grossman: With respect to the minister, the briefs submitted by the government on the appeal do not sustain the position taken by the Minister of Education (Mr. Conway) that the government is worried and that this has an impact on Bill 75. Bill 75 deals with governance; it has nothing whatever to do with the obligation of the government to provide fully equivalent, competitive education and educational facilities to francophones.

The minister has to agree with me that the impact of his government appealing the decision is to thwart a right that francophones today have in Ontario, given as a result of this court decision, to get equivalent and equal educational facilities to anglophones. Does the minister not agree that the action of his government in appealing this decision is stopping a guarantee given by the courts pursuant to the Charter of Rights and Freedoms to the francophones of this province, whom it is his obligation to protect?

Hon. Mr. Grandmaître: This government decided to appeal this case because we believe Bill 75 addressed those problems. This government feels the decision of the judge did not take into consideration that Bill 75 was passed and that the bill gives equal rights to education.

Mr. Grossman: With respect, that is a cowardly attempt to avoid spending money on francophones who are currently getting an inferior facility.

DAY CARE

Mr. Grossman: My second question is to the Minister of Community and Social Services. The minister has known for 16 months that the indirect funding through municipalities to day care centres was coming to an end and had to be changed. He has had 16 months to devise a mechanism to succeed that. On Saturday last, he announced only an ad hoc, hardship kind of appeal available to those who might be affected. Is he able to assure this House there will not be any closures of day care centres resulting from his government's action?

14:10

Hon. Mr. Sweeney: I remind the honourable Leader of the Opposition that the problem with indirect subsidies has been known in Ontario since 1979 and that in 1983 the previous administration in Ontario directed all the municipalities affected by it to eliminate the procedure as of December 1985. When this government took office, it discovered very quickly that literally nothing had been done. Given the fact that a number of municipalities found themselves in a rather precarious position, I directed they be given an additional year, until December 1986, to try to get this organized.

My program staff for the various area offices have been working with those municipalities during the past year. We have resolved a considerable number of them. There are still a few left to be resolved and we have indicated to those municipalities prepared to co-operate with us to take maximum advantage of the subsidy program already in place. Those prepared to co-operate with us will receive during the review process, which I described on Saturday, a transitional grant. I think that is the fair, just and honourable way to deal with the issue.

Mr. Grossman: If the minister wants to remind this House, as he just has, that this problem has been known for some time, he is quite right. To blame this problem on 42 years or the past seven years only emphasizes there is nothing this minister can do. It is not a sudden problem; he has had 16 months to deal with it. The minister has had a submission before cabinet to deal with it and he cannot get approval for his long-term program. The minister has now to rely upon a Band-Aid approach to solve a crisis for a short period of months.

The minister was quoted on Saturday as saying, "We want to make day care a public service, not a welfare service." If it is not a welfare service, how does the minister explain

the fact that he is giving hardship grants in hardship cases, perhaps to keep some day care centres open at the discretion of the minister? Is he prepared to give a categorical guarantee that after 16 months not one day care centre will close in Ontario as a result of the change in funding? Can he give the guarantee?

Hon. Mr. Sweeney: The Leader of the Opposition would have recognized, had he heard the entire speech, the point I was making was that in those communities, where there is a danger of a centre closing and those municipalities are prepared to co-operate with us, we will provide the traditional funds during the review process so that those centres will not close.

Mr. Grossman: I must tell the minister that at the very time he was making this speech in Toronto on the weekend, there was a day care conference in Thunder Bay involving all the centres in northwestern Ontario—centres such as Geraldton and Red Lake, the kind of centres his leader was in, saying there was not much he could do for them. When we contacted these municipalities this morning, they had not yet been informed by the ministry about the statement he made on Saturday, his suggestion that there will be consultations or discussions with any of these municipalities affected.

The minister can alleviate the concern of Geraldton, Red Lake and other northern communities, which he has not bothered to contact yet with his new policy, by having the courage this afternoon to stand up and say something very simple, such as, "The Minister of Community and Social Services guarantees that, as a result of the funding change, he will ensure that not one day care centre closes in Ontario." He is either prepared to make that commitment or he is not. Is the minister prepared to make that commitment this afternoon?

Hon. Mr. Sweeney: For the third time, I have indicated that where there is a municipality in which there is a danger of closure, where there is a municipality in which there is a financial hardship, where there is a municipality that is prepared to co-operate with our staff, the centre will not close.

Mr. Rae: Given that the minister has even delayed the issuing of a white paper beyond any respectable time, and given that in Fort Frances, to give the minister one example, in January 1987, parents are going to be expected to pay \$8,528 a year per child, which means that if one has two kids in day care it is \$17,000 and if one has three it is \$25,500, would the minister not agree that it is not the Premier (Mr. Peterson)

who has the patience of Job but the parents and kids of this province, who have been waiting for action from this government on a decent child care program that allows them to get into a child care centre, enables them to stay there, have decent care and decent service and not have to pay \$25,000, \$17,000 or \$8,500 a year in order to get child care in this province?

Hon. Mr. Sweeney: I most certainly concur with the leader of the third party that there are a number of parents in this province, not only in the location he has described but also in others, who are facing very serious problems with the affordability of child care. There are other parents who are experiencing problems with respect to accessibility to child care. There are other parents who are facing problems with respect to a choice that meets their particular need, which may not be between nine and five o'clock. That is entirely the series of issues that our day care paper will respond to.

I also remind the leader of the third party that there has to be a close collaboration, because of the cost factor, for an expansion of that service between ourselves and the federal government. That process is going on right at the present time as well.

Mr. Rae: White papers do not provide decent services, white papers do not provide a subsidy, nor does the shell game between the feds and the province, which has to be the oldest and the most tired excuse for inactivity. If we could do medicare in Saskatchewan in the 1970s, why can we not do child care in Ontario in the 1980s, take a lead as a province and get the feds on board? Let us take the lead here.

Specifically, is the minister saying the municipal nonprofit centres that are now established are going to have to wait for a federal program before they will get a decent level of support from the provincial government?

Hon. Mr. Sweeney: I point out to the honourable leader of the third party that this government has taken action on a number of issues while the process is going on. The leader would be aware that we have put 10,000 additional subsidized spaces on the market; that is a 50 per cent increase. The leader would be aware that we have increased the number of resource centres available to parents and to child care workers. The leader would be aware that we have set up four rural pilot programs. The leader would be aware that, particularly in northern Ontario, we have announced several initiatives. In other words, there is an ongoing process right at the present time.

However, the leader would also be aware that in order for two levels of government to co-operate in these kinds of initiatives and this kind of expansion, we have to know what the rules of the game are. That is what we are waiting for.

Mr. Rae: If the minister wants to know what the rules of the game are, the members opposite are the government, they can write the rules if they want to; and right now the minister is writing the rules for Geraldton, Thunder Bay, Fort Frances and Dryden. As a result, parents today are having to decide which of their kids are going to get quality day care and which are going to have to be pulled out to go to a baby-sitter. That is precisely what is happening to families in northern Ontario today because the government is not writing and making the rules that will make a difference to those families.

Does the minister not realize that the effect of his government's failure to move and its failure to provide a decent direct-transfer-of-moneys program to nonprofit municipal centres is that parents are having to make those choices today because they cannot afford \$17,000 a year to keep two kids in a day care centre?

14:20

Hon. Mr. Sweeney: A number of the initiatives we have already taken, some of the ones I have just described to him, have been at more than the fair share of the provincial level. Some of those initiatives have been 60 per cent at our cost rather than 50 per cent. Some have been 70 per cent at our cost. Quite frankly, there is a financial limit on how many initiatives we can afford to take at that kind of sharing.

We are prepared to do our fair share, but day care is not solely a provincial responsibility. As early as the beginning of this month, the federal government of this country announced in its throne speech that it recognizes its responsibility. It is prepared to sit down with us, with employers and with labour unions to work out a fair sharing of the costs and a fair distribution of the programs.

We are prepared to do the same, but we have to know what the federal government is planning to do before we can make too many other expansions.

EXTRA BILLING

Mr. D. S. Cooke: I have a question for the Minister of Health. Does he think it appropriate that Carl and Lisa McCoy of Gravenhurst have been asked to pay \$150 in administrative charges to Dr. Steinberg for an operation to determine

whether in vitro fertilization has a chance to work? That \$150 is \$11 more than the Ontario health insurance plan pays for the actual procedure. Does the minister think that is appropriate or does he believe it is a violation of section 27, regulation 448 of the Health Disciplines Act, which states that, professional misconduct is "charging a fee that is excessive in relation to the services performed"?

Hon. Mr. Elston: It is the first time I have heard of that item. I will take a look at it and review what is happening with those.

The honourable gentleman will know I have met with the Ontario Medical Association and looked in general terms at some of those items which are causing problems and difficulty with respect to access to services. We will be looking forward to a report from that association. In addition, we are looking at the role the College of Physicians and Surgeons of Ontario is to play with respect to the regulation the member quoted and the various aspects of the charges, such as those he noted on access. I will advise the member of the results of those meetings.

Mr. D. S. Cooke: The case I refer to was outlined extensively in the Toronto Star on Saturday. In this article, Dr. Richard Railton is quoted as saying: "I just wonder, if they are in this much financial trouble, whether they're making a mistake to get into this program in the first place."

Does the minister think it is appropriate for the president of the Ontario Medical Association to determine who should and should not have children in this province? Does the minister not understand these administrative charges are getting us right back into this process of doctors determining who can and cannot have access to the health care system?

Hon. Mr. Elston: I do not think the role of the president of the OMA is to determine who has and does not have children. The meeting we held last Thursday with the association resulted in very clear and specific statement from the president of the OMA about how embarrassed the association is with respect to those charges that are acting as barriers to access to service.

We are pursuing that matter and we will pursue it further when we hear back from the association and when we follow up as a result of our meetings with the college of physicians and surgeons.

Mr. D. S. Cooke: The minister is not pursuing the matter. The minister met with the college of physicians and surgeons back in July. A letter was supposed to go out from the college then, and nothing went out. Is that what the minister

calls pursuing? If this problem is going to be solved, the leadership has to come from him and the government, if he has the guts to do it.

Does the minister think it is appropriate that Dr. Bernstein would charge \$250 for delivering a baby over and above the \$497 that was paid by OHIP, 50 per cent of the actual OHIP fee schedule, without giving notice to this family? He simply sent a bill, which states, part A, obstetric care and delivery, \$497.69; part B, nonmedical services, \$250. There was no advance notice.

Is that appropriate? Is the minister and this government going to allow this to continue? Is this the new safety valve his leader used to refer to?

Hon. Mr. Elston: No, I do not think the honourable gentleman believes it is fair. I do not believe it is fair either. It certainly violates the guidelines of any sorts of charges that are to be made. I believe none of us would like to see that type of activity followed. I will pursue that situation on behalf of the member.

[Later]

Mr. D. S. Cooke: On a point of privilege, Mr. Speaker: I wish to correct the record. I referred to the McCoys' doctor as being Dr. Steinberg; I should have said Dr. Kroach. Dr. Steinberg is another doctor in Toronto who is also levying administrative fees.

Mr. Speaker: The member has corrected the record.

RENTAL HOUSING LOAN

Mr. Gillies: I have a question for the Minister of Housing. I confirmed with the regional offices of his ministry last week our understanding of the convert-to-rent program, which is that to qualify for subsidy under this program, a project must convert existing rental stock.

In view of this understanding of the program, which we all share, will the minister explain to me how a development on Toronto's waterfront, erected by the company of Huang and Danczkay, received \$3.5 million under the convert-to-rent program although it clearly did not qualify?

I further ask the minister whether he will confirm that the Huang and Danczkay company is represented by a well-known Liberal lobbyist, Ivan Fleischmann, in this enterprise; indicate to whom in his ministry Mr. Fleischmann made representations; and when and what the representations were.

Hon. Mr. Curling: I am trying to understand the member's question. I think the project met

the approval of the convert-to-rent program. With respect to Mr. Fleischmann's involvement in the project, I would have to get back to the member to explain that. I do not understand the member's question.

Mr. Gillies: Can the minister also let us know whether any of the \$3.5 million ended up in Mr. Fleischmann's pocket by way of a fee, as was the case in the Caplan affair?

Mr. Speaker: Is that your question?

Mr. Gillies: I ask the minister how the erection of twin apartment towers on land previously occupied by grain elevators could possibly be seen as the conversion of existing building stock for the erection of apartments.

Mr. Rae: The member should use his imagination.

Mr. Speaker: I am waiting for a supplementary

Mr. Gillies: I guess one could use one's imagination.

How on earth can the minister deny convert-to-rent funding to any other developer building rental construction in the province when clearly the funds were not used for conversion in this case and they could similarly apply to any number of projects across the province?

Hon. Mr. Curling: As I said, the project met the criteria of the convert-to-rent program. The honourable member may not agree with it, but it did meet the criteria. Housing policy is to make available as much as possible for rental units. It seems to me that whenever we try to do so, the criticism comes from everywhere else about why we should not do so.

On the other hand, my honourable friend wonders whether I can guarantee that none of this money went into Ivan Fleischmann's pocket. I cannot respond to that detail. I am sure that if Mr. Fleischmann did legitimate work in regard to consultation or what have you, he has all the right to receive his pay.

POLYCHLORINATED BIPHENYLS SPILL

Mr. Laughren: I have a question for the Minister of the Environment. The minister will know that last Friday there was a polychlorinated biphenyls spill because of a Hydro transformer blowing up in Chapleau very close to the water supply where the water treatment plant extracts water from the river.

Can the minister tell us why it was that, despite the fact that the explosion occurred and the spill of the PCB oil into the river occurred very early on Friday morning, it was Sunday before the

ministry tested the water that was going into the water supply for Chapleau? Why were the local doctors left to tell the people not to drink the water in case it was contaminated? I hasten to add that the water turned out to be safe, but the minister and his staff did not know that at the time the people in the community were drinking the water.

14:30

Hon. Mr. Bradley: First, as the member has appropriately pointed out, and it is important to this whole situation, the analysis of the samples of the water from the Chapleau River indicated that no PCBs were detected. Samples were taken on October 24 and 25, analysed at the Ministry of the Environment's Toronto laboratory on Sunday and reported to health and municipal officials. While some samples were taken, it is my understanding that they were brought to the lab to be tested. The lab was open in Toronto, and that is when the analysis took place. That was the indication I had.

Certainly, in this case the people have indicated concern, as has the member. That is appropriate whenever we have an incident involving PCBs.

An individual who operates the plant was on the site at the time the spill occurred. Because of the time of evening it happened—it was quite dark and so on—it was difficult at the beginning to detect the reason for the shutdown of electricity. Hydro finally detected that in fact there had been an explosion and that PCBs had escaped on to the ground. It was later discovered that they had made their way into an old storm sewer of sorts and into the river.

Mr. Laughren: The ministry did not respond until there were media reports. Since there are seven other similar transformers at the same site, still very close to the Chapleau River and still right where the intake goes to the water treatment plant for the drinking water supply, can the minister tell us what assurances he can give that the same thing will not occur again? What steps is he taking to prevent that?

Hon. Mr. Bradley: The member will understand that this is a problem we confront right across the country as we phase out the use of PCBs in transformers. There is an effort on the part of Ontario Hydro and other utilities to do so. In this case, we will be in consultation with Hydro to attempt to ensure that further spills will not occur, but I do not want to pretend there is not that opportunity when we still use PCBs in transformers all over the country. As the transformers are taken out of use, the PCBs are

taken out of use as well. We are very close to approving a process of decontaminating old transformers, for instance, and approving the technology for the destruction of the class 3 and class 2 PCBs, with the class 1 PCBs to follow.

An incident of this kind always prompts us to consult further with Ontario Hydro and other utilities across the country to determine what would be the best method of at least taking out these transformers—and I think this is the member's concern—in areas where they would be adjacent to a drinking water source or in another dangerous situation. I will certainly proceed with that.

SALE OF APARTMENTS

Mr. Gordon: I have a question of the Minister of Housing. The Premier (Mr. Peterson) was quoted in the October 21, 1986, *Toronto Star* as promising an impact study on the proposed purchase of the 11,000 apartment units that are being sold by Clarkson Gordon. That impact study would look at how it affected tenants. Last week in the House, the minister took a "Who me?" attitude to the question that was asked and talked about five per cent pass-throughs and things such as that. Is the minister prepared to bring an impact study into the House showing what the purchase would do to tenants and how it would affect the affordability of those 11,000 units? Will he keep the Premier's promise?

Hon. Mr. Curling: The honourable member knows the matter is now in front of the court to decide who will be the buyers of those units. I cannot do an impact study until I know what has been involved in the purchase of them.

Mr. Gordon: I beg to differ. I think the minister has many of the facts before him right now and could be preparing an impact study on how this is going to affect tenants. That is a shameful way to handle this issue.

I would go further and say that the Metro housing commissioner has said quite clearly that the sale of these 11,000 units is going to create an affordability problem for the tenants who live in those buildings. Will the minister tell the House what he is going to do to protect those tenants who have an affordability problem? How is he going to help those tenants, or is he going to deny that he has any kind of responsibility?

Hon. Mr. Curling: I know the honourable member is quite a responsible critic, and I would not like him to alarm the tenants that there are going to be extreme costs involved in the purchase of those 11,000 units. I do not know officially who those buyers are. He may know. I

gather the court will make that decision some time today or tomorrow.

I suggest, though, that the honourable member could co-operate and help pass Bill 51, which will give all tenants in this province full protection under the law. At the moment, we know we are doing our best. Again, I urge him and all members of his party to get Bill 51 through as soon as possible.

SUNDAY RACING

Ms. Bryden: I have a question for the Minister of Consumer and Commercial Relations. Last week he attempted to pass the buck on the concerns of residents about Sunday racing at Greenwood Race Track by saying they could go to city council for relief. Is the minister aware that last Friday Toronto city council passed an emergency resolution asking the provincial government to intervene? The city solicitor had advised council members that the city has no power to act effectively to protect the residents' right to be heard and to have their concerns considered.

Will the minister comply with this urgent request by Toronto city council and immediately introduce amendments to the Racing Commission Act? These would ensure that the residents of the area would be given an adequate opportunity to voice their concerns before a genuinely independent tribunal and would defer any action on Sunday racing at Greenwood until the opportunity for citizen input has been made available.

Hon. Mr. Kwinter: I thank the member of Beaches-Woodbine for the question. She should know that the resolution passed by city council asked the Minister of Consumer and Commercial Relations to take a look at the act and to amend it to allow representation by citizen groups. That is all it asked for. I have no problem with that. There is a lot of merit to it. However, we have a problem when we decide which jurisdiction those citizen groups are going to ask the Ontario Racing Commission to rule on. That is where we have the problem.

Ms. Bryden: As the minister undoubtedly knows, some of the residents of the immediate area and I have taken to court a challenge to the rulings of the Ontario Racing Commission about whether it should listen to the residents. Pending the outcome of that court case, will the minister use his good offices to persuade the Ontario Jockey Club to honour a commitment it made at the time it was applying for Sunday racing at Woodbine, when municipal approval was con-

sidered essential by law. In the commitment, the Ontario Jockey Club said that if it were given Sunday racing at Woodbine, it would undertake, as a quid pro quo, not to ask for Sunday racing at Greenwood.

Will the minister ask the Ontario Jockey Club to honour its commitment and not start Sunday racing on November 2 to demonstrate respect for both its own word of honour and the residents whose lives have already been disrupted greatly by racetrack operations?

14:40

Hon. Mr. Kwinter: As the member knows, the Ontario Racing Commission, which is the only body I have any jurisdiction over, has not come down with a decision. As soon as it does, whatever that decision may be, if there is a concern—we do not know what its decision is going to be; the decision may resolve the problem, but if it does not, and if there is a role for me to play, I will be prepared to do it.

The member should also know one of the problems we have is that the municipalities are constantly complaining about erosion of their responsibilities. I am quite prepared to meet with the Minister of Municipal Affairs (Mr. Grand-maitre) to find out whether there is a role to be played. We have a situation where, if I give responsibility for traffic and neighbourhood control to the Ontario Racing Commission, the municipalities may be quite incensed that we are undermining their responsibilities. It is a very difficult problem, something that has to be resolved in consultation, so all municipalities will know what we are planning. If I give that responsibility to the Ontario Racing Commission, it may set up as many problems as it resolves.

RENTAL HOUSING

Mr. Jackson: My question is for the Minister of Housing. Today in the community of Georgetown in the region of Halton there are only two multiple-unit buildings under construction. I am told they started out as rental units, except that, their owners having examined Bill 78 and then Bill 51, these units are now preselling as condominiums. This is not a case of conversion; it is a market reaction to those two bills.

Will the minister now publicly agree with the statements made by his assistant deputy minister and the co-chairman of the Rent Review Advisory Committee, who have indicated that Bill 51 is going to do very little, if anything, to assist the construction of new rental housing in this province?

Hon. Mr. Curling: I should make it pretty clear that Bill 51 is not a construction bill. It creates an environment for the landlords and tenants, and it brings in some laws that protect tenants and treat landlords fairly. While saying that, I also remind the member that within the past nine months my ministry has approved more than 19,000 social housing units. One of the great concerns we have is about the lack of affordable rental housing in this province. We are looking to Bill 51 to bring an environment in which landlords and tenants can be treated fairly, and tenants can be protected, while at the same time building up the supply of affordable rental units.

Mr. Jackson: If the minister is unaware of any initiatives in the private sector—he is not assisting the private sector—he must be aware that the four mayors of the municipalities in Halton region have all agreed and identified unaffordable housing as the most recent crisis in Halton. That is the same council his colleague the member for Halton-Burlington (Mr. Knight) represented prior to being elected to this House.

The minister has turned down every application—I think there have been eight or nine—in Halton region for subsidized nonprofit housing in the year and a half he has been minister. Given that the minister is not stimulating private sector construction, if he is going to rely on these programs, why is he not freeing up more units and giving through more approvals so we can overcome the current crisis in Ontario and have additional housing units? When will the minister come up with a program that will effectively construct those units right away?

Hon. Mr. Curling: I listened to the member very carefully. I do not believe what I am hearing. The assured housing program we put in place during the past year and a half has been the most progressive housing policy ever to hit Ontario. There is the Renterprise program of 5,000 units, with which we assisted the private sector. Honourable members on the other side of the House told me not one unit would be built if we brought in the private sector; but within a few months, all 5,000 units were gobbled up.

I cannot understand the honourable member. As I said previously, 19,000 nonprofit rental units were approved, along with the 5,000 Renterprise units and the convert-to-rent program. A tremendous amount of units have been put on the market. The private sector has much more confidence in this government because we seem to be co-operative, and I am very optimistic that we will see more in the coming year.

SERVICES EN FRANÇAIS

M. Rae: En l'absence du ministre de l'Éducation (M. Conway), j'adresse donc ma question au premier ministre sur la décision, de la part du gouvernement, de faire appel de la décision du juge Sirois, dans le cas de M. Marchand et les familles qu'il représente dans le comté de Simcoe.

J'aimerais demander deux choses au premier ministre. D'abord, pourquoi le gouvernement a-t-il recours à un appel qui va coûter cher aux parents qui ont gagné une victoire importante en cour, où le juge a dit que les parents avaient droit à la même éducation que celle offerte à la majorité et je traduit: "Ce doit être une éducation pleine et complète, et non pas une éducation limitée, partielle ou tronquée, qui serait nécessairement une éducation inférieure."

J'aimerais poser une première question au premier ministre: pourquoi faire appel d'une telle décision, qui démontre un sens de la justice dans la province de l'Ontario?

L'hon. M. Peterson: Je veux dire à mon ami que, comme l'honorable député le sait, je suis avocat. J'ai étudié le droit à l'université, mais je suis un mauvais avocat et je ne suis pas en position de donner un point de vue juridique sur les circonstances. Mais on me dit que le jugement n'était pas assez clair dans les circonstances et c'était l'avis du ministre de l'Éducation et du ministre délégué aux Affaires francophones (M. Grandmaître).

Il serait préférable que le jugement de la cour soit plus clair. C'est pourquoi on en a fait appel dans les circonstances, et je crois que c'est avec le comté de Simcoe aussi, pour assurer un avenir plus certain. C'était un avis juridique, je crois. Comme mon ami le sait, ce gouvernement a fait beaucoup de choses pour faire avancer les droits des francophones dans la province de l'Ontario, et nous pensons que ce sera encore mieux à l'avenir.

M. Rae: On ne peut pas être d'accord avec le premier ministre, parce que la décision est claire. C'est une décision que le gouvernement n'a pas acceptée, mais tout de même, la décision est très claire. Le juge dit que le principe d'équivalence, de comparaison, devrait être appliqué dans le comté. C'est-à-dire que la minorité a droit au même niveau d'éducation, aux mêmes facilités que la majorité dans le comté.

Ce que veut dire le gouvernement, c'est que l'équivalence n'existe pas dans le comté. On ne fait pas la comparaison ou l'équivalence avec la majorité, mais avec n'importe quel autre groupe choisi par le gouvernement, dans n'importe

quelle région, dans n'importe quelle partie de la province.

J'aimerais poser ma question directement au premier ministre. Où est le manque de clarté dont il parle dans sa réponse, au sujet de la décision du juge? Pourquoi le gouvernement n'accepte-t-il pas la définition de l'équivalence telle que donnée dans la décision, qui est une définition plus juste, plus égale—à mon avis, en tout cas, et de l'avis du juge certainement—plus en comparaison et en équivalence, non seulement avec le traitement de la majorité, mais avec la Charte des droits et libertés elle-même?

Voilà ma question: pourquoi aller en appel qui coûtera de l'argent aux parents et qui est un pas rétrograde en ce qui concerne le niveau de l'éducation pour la minorité francophone de la province?

L'hon. M. Peterson: Je voudrais dire à mon ami qu'il est peut-être aussi mauvais avocat que moi et que je ne connais pas exactement, personnellement, toutes les raisons qui ont influencé la décision au point de vue juridique, mais on me dit que c'était nécessaire dans les circonstances et que ce n'est pas contre les intérêts des francophones de l'Ontario, parce que comme le député le sait, c'est ce gouvernement-ci qui a fait avancer tous les droits des francophones. C'est le ministre qui a avancé ce projet de loi.

Mais c'est important que les choses soient claires à l'avenir et c'est pourquoi, sur l'avis des avocats, nous sommes allés en appel. Je crois que c'est la raison, mais aussi peut-être que le ministre délégué aux Affaires francophones peut l'aider dans les circonstances, ou encore le ministre de l'Éducation au point de vue juridique, mais on me dit que ce sont les circonstances de ce projet de loi et ce n'est pas contre les intérêts des francophones, mais bien pour faire avancer leurs intérêts.

14:50

LEAD LEVELS

Mr. Gordon: I have a question for the Minister of Housing. For 17 months now, the minister has been telling the public he is quite prepared to remove the soil from around McClure Crescent, but that his hands are tied by a court case. His hands are not tied by a court case when it comes to the south Riverdale people. There are 200 residences there. Is he prepared to remove that soil?

Hon. Mr. Curling: The McClure Crescent case was a concern in my riding of Scarborough North, which I acted on promptly and which my

colleagues supported very well. Riverdale is not in my riding. It is also an environmental problem, so the honourable member should ask the Minister of Environment (Mr. Bradley) to address that.

Interjection.

Mr. Speaker: Order. I really feel the Minister of Housing responded to at least part of the question. I presume you want to place your supplementary to the Minister of Housing?

Mr. Gordon: The minister might be trying to pass the buck to another minister, but he happens to be the Minister of Housing. As the Minister of Housing, he made a commitment to move that radioactive soil from those McClure Crescent residences.

Now we have a situation where the Minister of Housing can act again. When he promised to remove the radioactive soil from around the McClure residences, he also said it did not pose a health hazard to those people. However, we now know that with lead, we do have a very significant danger to children, for example, who might play in the soil.

Mr. Speaker: Question.

Mr. Gordon: There is a health hazard. Will the minister act to remove that soil?

Hon. Mr. Curling: I think the member has tremendous confidence in me to act in environmental matters. However, I remind him again that it is not within my jurisdiction to address the south Riverdale environmental problem.

LANDFILL SITE

Mr. Charlton: I have a question for the Minister of Health. Last spring the Upper Ottawa Street landfill site selection committee completed its final report and submitted that report to the ministry. We have not seen that report. Can the minister tell us why the report has not been released and when we can expect to see it?

Hon. Mr. Elston: Apparently, the report did come to the public health branch this summer. I was made aware of it later in the summer. It has been put out for review by several other ministries, and other independent groups have been contacted for feedback. I am trying to make arrangements now to speak with the chairman of the group which did the study in the hope that we can make arrangements for its release. I would like to see it out very shortly.

Mr. Charlton: Nobody objects to this process of review. It is the process of nonrelease with which we have a problem. When the site study committee released its interim report in May

1983, it released a report to the ministry and to the public in Hamilton on the same day, and it held a public forum where the public and the media could question the site study committee.

That committee has now closed its offices. Its members have disbanded and gone their separate ways. I suppose they can be traced, but they will not be available in Hamilton to answer questions about the study when the minister gets around to releasing it. Why was the procedure different this time?

Hon. Mr. Elston: I am not sure why the procedure was different. I do know the chairman's inclination on this is—I have not spoken to him directly myself but reports have indicated—that he would like to have a public forum again when it is released. I am not sure that it will be possible this time, because I understand the chairman is leaving for an extended working trip to another area. We are trying to get the report out after we have received the information back. I would like to get it out very shortly and I am in the process of trying to set up a time when I can speak directly to the chairman to see what would be best from his standpoint and ours.

It is important to note that in many ways a number of parts of the report have been circulated to various public groups, including members of the Ministry of Environment, the Ministry of Labour and some of the people with whom contact was made during the course of those hearings. I wish to get the report out fully so we can pursue the consultations further.

JOB RETRAINING

Mr. Brandt: I have a question of the Minister of Skills Development. As the minister is aware, some months ago I raised in the House the issue of the Ethyl Canada workers adjacent to my riding in the community of Moore township. I pointed out that the imminent reduction in work at that plant as a result of the phase-out of tetraethyllead has caused a great deal of anxiety among the workers, who obviously and for reasons that are quite justified are concerned about the loss of their jobs.

I raised the question with the Premier (Mr. Peterson) and also spoke to the minister in connection with the difficulty these workers are having with present retraining programs and other programs that could be put together by the government, in concert with the Minister of Industry, Trade and Technology (Mr. O'Neil), with respect to another use for that plant.

Can the minister indicate whether he has had any discussions that will assist with the retraining

of some of those workers to give them an opportunity to shift from their present place of employment to some other occupation?

Hon. Mr. Sorbara: My friend from Sarnia is absolutely right in saying he has raised the issue with the Premier and with me. During my discussions with the member I did point out that that area of job retraining is the primary responsibility of the federal government through its now famous Canadian Jobs Strategy.

I undertook when I met with him to write to my federal counterpart to raise the issue of why these Ethyl workers were not getting an opportunity at retraining programs that were available to any other member of the Sarnia community who was underemployed or unemployed. Thus far, I can tell my friend, I have not had a response from my federal counterpart and I am still waiting.

Mr. Brandt: I thank the minister for his efforts. I would also like to raise the question of some of the economic impact in my riding that goes beyond retraining. I realize this is not related directly to his ministry, but it is connected with the retraining, as well as a further use for that plant with respect to some other product development that could be made there. I want to advise the minister, by way of question, that a local delegation did go to the head office of Ethyl Corp. in Richmond, Virginia. They have indicated they will be very co-operative in looking at other functions for that plant.

I want to ask the minister whether his ministry, in connection with retraining beyond that of the federal government as well as the Ministry of Industry, Trade and Technology, will take a look at that situation to head off any possibility of those employees being laid off or being found without jobs in the not-too-distant future if the phase-out of tetraethyllead continues as expected?

Hon. Mr. Sorbara: I have just mentioned to my friend from Sarnia that only very recently, about a month ago, I introduced Ontario's Training Strategy, a program that could be helpful in this regard. Indeed, that program is primarily for the employed work force, and part of the thrust of the program is to do away with redundancy.

It is not replacing the obligations of the federal government, nor does it replace long-term industrial retraining for the unemployed work force. I am perfectly willing, however—as a matter of fact I would be delighted—to send my friend and the workers down at Ethyl information on Ontario's Training Strategy. It may be a program that can help overcome the redundancy

and help the employer ensure that those workers a year from now are working, and working even more productively. I would be delighted to send the member information on it.

15:00

INSURANCE RATES

Mr. Swart: My question is to the Minister of Financial Institutions. It relates back to the answer on insurance rates he gave in this House a few days ago, in which he purported to show, contrary to all other independent studies which have been done, that rates were marginally lower in Ontario than in Manitoba.

Can the minister deny that the nonrepresentative rates quoted for Ontario were as of January 1, 1986, and thus did not show this year's substantial increases, while those for Manitoba were rates currently being charged?

Further, can the minister deny that those figures were provided to him by a sector of the insurance industry and not from any independent source?

Hon. Mr. Kwinter: I thank the member for his question. He is correct when he says the rates I quoted were effective as of January 1. So that he will not feel neglected, I will quote him the rates as of October 15. For exactly the same category, as the member will know because I gave him the details, the figures are: Vancouver, BC, \$652; Regina, Saskatchewan, \$473; Winnipeg, Manitoba, \$561; London, Ontario, \$486; Kitchener, Ontario, \$494; Ottawa, Ontario, \$492; and Toronto, Ontario, \$617. The same ratio is maintained. The figures are a little different, based on the fact that one set was for January 1 and the other was for October 15.

Mr. Swart: I wonder what excuse he will use when these figures prove to be incorrect as well.

Given that a comprehensive study was done by Woods Gordon for a select committee of this House eight years ago, which showed that western public plans paid back 20 per cent more in claims for every dollar paid in premium, and given that the contrast in rates of those plans versus Ontario's have spread since that time, why does the minister not get Woods Gordon or some other competent accounting firm to do a comprehensive comparison of the rates in Manitoba and Ontario? Then he will not have to come before this House to defend the insurance companies, and the public will know the real benefits of those western plans.

Hon. Mr. Kwinter: I find it a little strange that the member would criticize me for giving

him figures that were six months old and then give me figures that are eight years old.

CORN TARIFF

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. On Friday the tariff comes into effect on US corn. Ontario elevator companies are bringing in US corn now at a very high rate to beat that tariff. Many of these companies have benefited in one way or another from Ontario government programs. How many of the company executives has the minister phoned in the past two or three weeks to get them to temper their greed in this crop year?

Hon. Mr. Riddell: What I have done is to work very diligently with the Ontario Corn Producers' Association in its efforts to get countervailing duties on corn coming up from the US.

We saw a report in The Toronto Star on Sunday which was not completely accurate. That report stated a decision had been reached about countervailing duties on corn. We saw a more accurate report in the Globe and Mail today. A decision has not been reached.

The Department of National Revenue has not yet made a decision whether it is going to go ahead with the countervail on corn, but as I say, I have been working very diligently through the corn producers' association in support of its efforts to get countervailing duties on corn.

I have not phoned any executives, as the member asked in his question.

PETITIONS

NATUROPATHY

Mr. Poirier: I have two petitions. The first one reads as follows:

"To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

It is signed by 42 persons from my riding.

Mr. Cordiano: I have two petitions on behalf of a number of people. They read as follows

"To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

SUNDAY RACING

Ms. Bryden: I have a petition opposing Sunday racing at Greenwood Race Track. It is signed by 122 persons who attended Sunday masses yesterday at Corpus Christi Roman Catholic Church, which is opposite the Greenwood Race Track on Queen Street East. The petition reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas the Ontario Racing Commission in its hearing into the Ontario Jockey Club application for Sunday racing at Greenwood Race Track has ruled that it does not have the jurisdiction to hear the concerns of residents surrounding the aforesaid race track;

"And whereas many residents have shown their concern with the impact of Sunday racing at Greenwood Race Track on their neighbourhood and have indicated their wish to voice that concern;

"That the government amend the Racing Commission Act to ensure that the rights and concerns of residents in the neighbourhood of the race track and in the surrounding community be considered and protected by the Ontario Racing Commission in setting racing dates, times and schedules;

"Further, that the legislation provide that the long tradition of no Sunday racing at Greenwood Race Track be maintained."

I support this petition.

SALE OF BEER AND WINE

Mr. Poirier: My second petition is from 26 employees of the new Dominion food store in Orleans, Ontario, pertaining to beer and wine in Ontario grocery stores:

"To the Honourable the Lieutenant Governor of Ontario and the Legislative Assembly:

"We understand that the government of Ontario plans to introduce legislation to permit the sale of some beers and wine in Ontario grocery stores.

"We, the undersigned, wish to express our objection to any legislation which would exclude us and our place of employment from the opportunity to sell our customers any products simply because we are not a so-called independent store."

REPORT BY COMMITTEE

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Allen from the standing committee on social development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1987:

Ministry administration program, \$2,014,800; university support program, \$1,173,675,000; college support program, \$454,734,700; student affairs program, \$146,372,300.

That supply in the following supplementary amount and to defray the expenses of the ministry be granted to Her Majesty for the fiscal year ending March 31, 1987:

College support program, \$60,000,000.

ANSWER TO QUESTION IN ORDERS AND NOTICES

Hon. Mr. Nixon: Before the orders of the day, I would like to table the answer to the famous question 315, which has been long awaited. As I indicated earlier, this is quite a major work of compilation of statistics and information, which may or may not be worth the effort and the money. I am told the answer cost about \$108,000. However, it is not our judgement as to its importance, but here it is for the opposition. [See Hansard for Monday, November 3.]

15:10

ORDERS OF THE DAY

INCOME TAX AMENDMENT ACT (concluded)

Resuming the adjourned debate on the motion for second reading of Bill 28, An Act to amend the Income Tax Act.

Mr. Gordon: I want to note that the handsome member for Nipissing (Mr. Harris) adjourned the debate, to be followed by the member for Sudbury, who wishes to make a few remarks with regard to Bill 28.

Whenever we talk about income tax, whenever we talk about moving money out of one pocket into the other—and of course when I talk about the other I am referring to the pocket of government—we can be assured that the members of this Legislature perk up and show a great deal of interest. We can go further and say that whenever we talk about increasing taxes, or decreasing taxes for that matter, the residents of Ontario pay particular attention to what is going on.

In the 16 months since this Liberal government came into power, the residents of Ontario have had the opportunity, and not a very happy opportunity, of seeing their pockets being picked for ever more dollars to pay the taxes that have been levied by the Treasurer (Mr. Nixon), a gentleman who spends a great deal of time kicking the tires on the tractors down at Earl's corner—or is it Earl's shelter?

Miss Stephenson: Earl's Shell station.

Mr. Gordon: I should get that right.

Hon. Mr. Nixon: Earl's Shell Service.

Mr. Gordon: Earl's Shell Service. We can be sure that is not a day care centre, because if it were a day care centre we can be sure the current Liberal government would have been promising those day care workers a lot more today when the coalition came to visit over in the Ontario Room in the Hepburn Block. The fact that they were visiting in the Hepburn Block could have some implications or perhaps could be a prophecy of what is to come. We will be watching closely to see whether the extra taxes that the Treasurer is taking are going to be going into day care. I am sure former Premier Mitch Hepburn will be looking down from his place of honour up there on the other side of the stars and will be paying close attention to what the Premier (Mr. Peterson) and his Treasurer recommend.

I would like to take a few moments today to talk about a favourite subject of mine, a subject the residents of Sudbury riding and the north in particular are concerned about—I should not limit it to the north; it is of concern to all of Ontario—and that is the whole issue of property taxation. Taking it even further, it is the issue of educational taxation.

More and more, no matter where we go in this province, we hear people talking about the effects of the taxes they pay at the local level and the increasing proportion that is going towards

educational institutions, the secondary and the elementary systems. They are very concerned that the provincial government not only appears to be cutting back the amount of money it is providing at the local level but is reducing the level of its contribution at the local level.

When I look at my own community, Sudbury, I can tell this is hurting the average property owner. I say that because, perhaps more than most communities in Ontario, we have experienced the boom-and-bust days of the economy. For many years we were tied to the resource industries, and to a large extent we are still tied to the resource industries of Inco and Falconbridge. Being tied to these industries has meant that we have faced increases in our taxes at the local level much beyond what we should have had to face, and it has created real hardship for our citizens in the Sudbury region.

There is one aspect of income tax I would like to spend a little time talking about this afternoon. I believe there should be a shift of financial responsibility from the local municipality to the province when it comes to education. I believe that is going to be increasingly important. When I look at even my own community, where we have more and more people facing early retirement as a result of the downturn in the resource sector, these people are retiring on largely fixed pensions that will not increase to any appreciable extent during the coming years. These people are going to find it increasingly difficult to pay the kinds of educational taxes being levied at the local level.

When one considers that people work very hard in this province, when the average working man comes to the time in his life when he is collecting his pension he should know he is not going to be faced with ever-declining funds because of education. Throughout the years, through the property taxation system, these men and women have paid for education. Many times they have paid for their own children's education, and they have paid for many other children who have gone through the educational system. When one gets to be 50, 55, 60 or 65, and if one is on a pension, that is the time when one should be getting some kind of a break. It is difficult enough for these people.

I think of my own community. To go out and find another job in the north at 50 or more years of age is a very difficult task today. The jobs just are not there. Not only does one have the problem of one's occupation being taken away from one but much of one's status too. People often come up to me. I say: "Hi, I am Jim Gordon; and you

are?" Let us say someone replies, "Sam Lahti." The next question I ask is, "What do you do?" The person says he was retired early from Falconbridge or Inco because of the resource downturn, because of the policies of those multinationals—and do not get me into talking about the policies of those multinationals; I can talk about that for hours and hours, but we will leave that aside for the moment.

Much as that individual would like to go out and find another job to supplement his or her pension, and perhaps provide a certain measure of further self-esteem as a retired person, he or she cannot do it; the jobs just are not there. Yet they are going to be stung time and time again with this education tax at the lower level. I think those days should be brought to a close. I do not think they should be paying it directly through property tax, because it does not reflect the fact that their incomes are lower. That is why we in this province would be much more prudent to turn to an education tax based on personal income. That would more truly reflect what a person is making.

15:20

Take some of those whom we call the working poor or some of the people who are just beginning to start out in society. They have bought their first home. They have to buy their refrigerator, stove and furniture, and in today's society they need an automobile to get around from one place to another. It would be much better if they were to pay towards education according to their personal incomes rather than according to some antiquated property tax system, which I believe does not have the relevancy, the propriety or the fairness we expect in this day and age.

I think of something that happened very recently in our community. We have had market value assessment. The members of this House are well aware of what market value assessment can do in a community. I had the pleasure of picking up the Toronto Star on the weekend; it was pleasurable until I got to about page 9, where I saw this picture of the Treasurer—

Miss Stephenson: With his feet up, as usual.

Mr. Gordon: With his feet up.

Miss Stephenson: He always has his feet up.

Mr. Gordon: The member sitting next to me, the member for York Mills, claims the Treasurer always has his feet up, but we will have to see about that.

There he is, sitting there with his feet up, saying things such as: "We are not going to force

market value assessment on any municipality that does not see the wisdom of this great deed that we would like to do unto them. We would not force anything on them, not us." I can see him, with his special blessing and his incense, saying: "Municipalities, pax vobiscum; do not worry. We will not put market value on you." Sure, but he did it in the north.

He put it on the Sudbury region, and in the Sudbury region we have more pensioners per capita than there are down here in the Metro area, but I did not hear the Treasurer going up north and saying, "Listen, gentlemen, I would not like to foist anything on you," although they did everything possible to get the poor Sudbury region to take on market value assessment. As a result—and all this goes right back to the whole question of education being funded by personal income tax—do members know what has happened now?

We have had people who worked in the mines and smelters of that region who had a modest little cottage that over the years they fixed up into a modest little home, and they made the terrible mistake—imagine—of building on a lake. Members know what that has done. Today in the north we have lots of trees and lots of lakes. In the Sudbury region, we must have about 27 lakes—actually, we have more than that; I know I am going to be corrected on that.

With all these lakes, we are not supposed to build any houses or cottages or anything on these lakes because if we do, with market value assessment, the property values shoot right out of sight. We have a situation where perhaps the husband has passed away and we have his widow living in a modest little home on that lake, and we see the education taxes she is going to have to pay now because of market value assessment.

Does the Treasurer want to tell me we should not be collecting education tax through personal income tax? Is that what he is going to tell me? I hope not. I hope this government is finally going to take some progressive steps. It is the kind of thing one can get incensed about.

Hon. Mr. Sorbara: The member does that so well.

Mr. Gordon: I hear the Minister of Colleges and Universities. I would be very pleased if he would come up to my riding and spread some of his largess around the Sudbury region. I would be glad if he did that; it would be so helpful. I would be glad to stand right beside him when he made the announcement, just so everybody would pay attention to him. Otherwise, I do not think they would even see him.

Hon. Mr. Sorbara: Ask them about their new building at Laurentian University.

Mr. Gordon: I am not going to rise to that kind of interruption from the minister. After all, I am sure he thinks about me when he is driving away in his big limousine and when he is flying around the province in his government airplane. I am sure that when he gets back to that cabinet table he will get back to the concept I am talking about, that we should be paying for education through a personal income tax. I know he is going to take that up on my behalf and on behalf of all those pensioners, lower-income people and newly married couples who are having a difficult time making ends meet. I know he is going to take that up on my behalf. Now I know that, I can carry on with the other part of my talk.

Hon. Mr. Sorbara: I am looking for a hanky for the member.

Mr. Gordon: I can see the crocodile tears running down the minister's cheeks. I am sure that when he goes into the King Eddy, the new King Edward Hotel downtown—what is the dining room there? I have never been there, but I have heard it is quite expensive.

Mr. Speaker: Are you referring to this bill?

Mr. Gordon: Yes, I am. I am sure that when he goes into the dining room, he is going to talk about this issue over the hors-d'oeuvres and so forth.

The second point I would like to raise today again concerns this whole business of taxation. I think it is time too that we had a pooling of the commercial and industrial taxes in this province. I know this will not go down too well with some members. I can think of some members in my own party, some in the Liberal party and perhaps even some in the New Democratic Party who will not agree with me.

The point is, why should some school boards be poorer than others when they are providing education to our young people? Should there be any thought in this province, or should there be any thought in the minds of any of us, that a single youngster, girl or boy, should have a lesser opportunity because the board of education that girl or boy is being educated under does not have the bucks for same kinds of programs and teaching equipment or the same number of teachers? Is that the way we want education to run in this province? I think not.

I can recall sitting down with some friends of mine in the teaching business, dedicated educators from an area north of Queen's Park. It is not in the north, but it encompasses an area all the

way from Highway 400, when one goes north, to the Bruce Peninsula, when one goes west. One will find school boards in that region have a tough time making a go of it. The reason they have a tough time making a go of it is that they do not have the commercial-industrial assessment. If one does not have that commercial-industrial assessment, one cannot have the same kind of programs.

I know the Ministry of Education, with its grand structure, tries to equalize things. I know it does its best in many ways, but one just cannot find board members at the local level who are willing to plunge in and sink their municipalities and their residents further into debt. They are at the local level. They do not have the same level of service in other areas too, and they have a very difficult time juggling this problem of insufficient funds. That is why I think it is long overdue for us to look very seriously at the pooling of commercial and industrial taxation.

15:30

I know this will become a much more dominant issue in this province. With the extension of funding to the separate school boards, naturally they will say: "If we are going to get public funding, we should be able to give equal education. At the secondary level, we are not getting the money because we do not have that pooling of commercial and industrial taxation."

I think it goes much beyond the separate school system. If we want to go to the heart of this problem, we have to look at all the public school boards in Ontario that do not have the same type of commercial-industrial taxation as those in the larger metropolitan areas. If we were to go to the personal income tax funding of education and if we were to take the pooling of industrial and commercial taxation, we would be going a long way towards beginning to reform and improve education in this province, and we would be bringing in an equitable system.

I think I have covered most of the points I wanted to raise today. I know the minister has listened to me very intently. I even saw him come back into the House after leaving for a few minutes. I want to thank him for doing that.

I also want to thank the Treasurer for paying attention to what I have been saying. At the same time, I hope he will continue to be a Treasurer who is sensitive to the needs of all the people of Ontario. As I saw in the paper on the weekend, he was not really being sensitive to the needs of those people who live in the north when he helped to bring in market value assessment. He

will have a story to tell us on this. We all know that, but deep down, the taxpayers of Sudbury know there was a—I will not say it. I am not going to be small in this House because I do not think there is any place for smallness. I will not say anything small.

Hon. Mr. Nixon: I want to comment on one thing the honourable member said about smallness. The people who might be reading this in Hansard will know that the market value assessment that was carried out in the region of Sudbury did have special attention in that it had to be approved by the Legislature since it was the first one involving a region. The legislation approving that was at the behest and the request of a majority of councillors making up the regional government. It was not unanimous—I think one or two did not go along with it—but essentially, they asked for it.

There is no doubt that the situation in Sudbury is unique. For that reason, we were able to supply about \$7 million to assist in any of the dislocations associated with that. I even heard one of the people from Sudbury say that that was insufficient. I mention it only to say that it was unique and not precedent-setting. If we are going to be asked to contribute money to smooth the way for reassessment, there will be no end to it.

The municipality of Mississauga, which is a major city, is the largest to have undertaken reassessment. While there were some difficulties, there was no special money available, just the regular legislation that allowed the local municipalities to smooth it out to some degree for those who were most directly affected. Even though over the weekend the mayor was somewhat critical of the professional aspects of the assessment, I think she really does know—and I assert as minister—that the assessors have done an excellent job and that they are perfectly and completely professional in their responsibilities.

For a number of reasons of which the member may be aware, I feel it would be very unwise of me to try to use any power the government has or to try to bring legislation before the Legislature that would impose market value assessment on any council. We feel it is the responsibility of the council to decide.

Mr. Gordon: I welcome this opportunity to reply to what the Treasurer just said.

The Acting Speaker (Mr. Morin): Order. Are there any other members who wish to question or comment?

Hon. Mr. Sorbara: I was interested in the comments of my friend the member for Sudbury about university education in Sudbury. In con-

junction with the general fictional nature of his remarks on the bill we are debating today, he seemed to suggest to the House that Laurentian University somehow had been overlooked in conjunction with allocations I have made recently as Minister of Colleges and Universities.

Do we provide our members enough travel allowance so that they can return periodically to their ridings? The member for Sudbury obviously has not been there for quite a while. He obviously is unaware that almost a year ago now, I announced a \$4.5-million grant—I think I am right in the sum—for Laurentian University in Sudbury to do a major reconstruction of the science building there. Although I did not follow all the remarks of my friend the member for Sudbury on market value, his remarks in that area were as fictional as his statements in conjunction with university education in Sudbury.

Mr. Foulds: Is it parliamentary to say a member's remarks are fictional?

Hon. Mr. Sorbara: I am not sure. I certainly enjoyed the speech. I just wonder whether he has travelled to Sudbury lately and whether he knows what is going on at the university in his riding.

Mr. Gordon: I certainly do travel up there. I am there every weekend, every Friday, Saturday and Sunday. I want to tell the Minister of Colleges and Universities that we have to fight for every nickel we get out of any government, whether it is this government or any other government. In the north we always fight. When they hand us \$4.5 million to do a science building, they act as though they are building the Taj Mahal. Compared to the amount of money that has flowed out of the north down here, we are getting hardly a pinch back. Nevertheless, let us go back again to the Treasurer.

First, I can recall quite distinctly, as a former mayor of Sudbury, coming down to Toronto and attempting to get extra funds from the provincial government, because we never seem to have enough. That was a real problem in our community. It was not only that I was doing that, but the other mayors in the region of Sudbury were coming down asking for supplementary funds.

One of the reasons the regional council bought the Treasurer's proposal about market value was that the civil servants behind the scenes were saying: "Look, fellows, we are not going to keep coming up with these extra supplemental funds for municipalities in the region of Sudbury in the future. If you fellows do not hurry up and rectify this assessment problem in the Sudbury region, you are going to find you are not getting the extra

funds. The only way you are going to survive is by bringing in market value, and we are going to sweeten the pot by giving you \$7 million."

As a result of that, we have pensioners and all kinds of people paying much higher taxes than they should have to pay and it is causing some real hardship. That is the truth of the matter.

Mrs. Marland: On rising to speak on the second reading of Bill 28, An Act to amend the Income Tax Act, I would like to say at the outset that I wish it was that. I wish it was making some very much-needed amendments to the Income Tax Act. A number of areas have been referred to by the Treasurer. One example I will give is of my own referral to an area with which I have very grave concern and I have also heard other areas referred to during this debate which have not been addressed in any way whatsoever.

Since both the previous speakers have referred to the city of Mississauga in the discussion about market value assessment, I must for a moment respond to those comments by the member for Sudbury and the response from the Treasurer.

Hon. Mr. Nixon: Not on the income tax amendments.

Mrs. Marland: I notice with interest that the Treasurer is saying those comments are not on the income tax amendments. However, I hasten to point out that it was the Treasurer who referred to the matter I am about to address, and the same answer could have been given.

15:40

I will proceed to address for a moment the comments the Treasurer made about the difficulty with market value assessment as it has been experienced in Mississauga.

Hon. Mr. Nixon: Mr. Speaker, on a point of order: I draw to your attention that while I am delighted to hear the member speak, as always, the bill before us is an amendment to the Income Tax Act and has nothing to do with reassessment.

Your attention may have wandered, and you permitted the member for Sudbury to pursue this. At the end of his remarks, I had to respond, because he had dealt with something I thought was out of order, although you are the final arbiter of this. However, for this to become an assessment debate does not seem to be an appropriate use of the time, in spite of the fact that the subject is very important.

The Acting Speaker: You have made your point.

Mrs. Marland: Am I to understand from that comment that the Treasurer thinks there is a different standard available to one member in this

House and another as to how far one may veer from the subject at hand? However, a point of order was raised. If the Speaker has recognized it, I will try very hard to adhere to the bill at hand. I may address the subject of market value assessment as an alternative to some forms of the income tax law within this province.

I may like to suggest that in Mississauga people spend their money on different forms of taxation, whether it is through market value assessment on their property taxes or through their income taxes. There are various opinions on the value or the advantage of market value assessment, but there is no variance in their opinion of how it has been implemented in the city.

Grave concern has been expressed by many residents of Mississauga that there seems to be no standard by which assessors are directed to fulfil their responsibilities in assessing properties at market value. It is the great variance and variety of degrees in which the market value assessment has been done in Mississauga that has presented the problem to the people who live there. Those same people have expressed that concern to me on other subjects that pertain to Bill 28.

The Treasurer says it is the responsibility of the local municipality whether it has market value assessment. If that it is true, I also ask whether it is the responsibility of the Treasurer to make sure there is some uniformity in that assessment. While the assessors in Mississauga have tried to fulfil the mandate of their jobs, there has been a tremendous variety in their assessing whether market value is impacted purely by the square footage of the structure on a residential lot or whether it is by the condition of the inside of that structure.

We have found that some of the assessment staff are interested in whether a house has additional bathrooms, finished recreation rooms, etc., while others say the interior of the house is of no concern to them and they are simply going to assess the value based on the square footage of the house. This has caused a great deal of concern for the people of Mississauga, as has the whole process for appealing their assessments through the assessment review board. This is a subject that will be addressed in this House in further detail.

In the meantime, perhaps what the province should be looking at through the Ministry of Treasury and Economics is what alternatives there might be in terms of tax reform. As part of that tax reform, I hope the Treasurer will give direction to his staff that, while addressing

income tax reforms in this bill, they will also address property tax reforms.

On June 19 I wrote to the Treasurer on behalf of one of my constituents in particular, but on behalf of many who had raised the same issue with me. I received a reply from the Treasurer on August 5. This constituent brought to my attention very capably current taxation in this province—and I recognize it is also a federal issue—dealing with the deduction for child care or day care expenses. This constituent of mine is a female solicitor. Because she has expressed the matter very capably in her letter, I ask your indulgence, Mr. Speaker, while I refer to one portion of it, which deals very clearly with the subject of Bill 28 as it affects the people of Ontario.

This letter is over the signature of Ann J. Watson, who is a solicitor in the firm of Jackson, Watson and Lane on Lakeshore Road East in Mississauga.

She says: "It was with great distress that I discovered the extent of the child care deduction which is available for working parents who choose to have a family and continue to work full-time. Not only must I pay my baby-sitter out of my net tax dollars, but I must be able to afford to pay her enough that she can receive an adequate wage after paying her income tax, unemployment insurance and Canada pension benefits, and the employer's portion thereof, together with workers' compensation benefits.

"The child care deduction, which is a deduction from income only and not a tax credit, is in my situation limited to \$2,000. In an age when affordable day care and adequate day care wages are a debated issue both provincially and federally, why should I, as a self-employed person, be able to deduct my secretary and my pens and pencils from my gross earnings and not be able to deduct my child care worker? Certainly, my child care worker is just as important to me in allowing me to carry on business as is my office equipment.

"The income tax laws as they now stand maintain a policy of discrimination against the working family, a situation which, in my view, is intolerable in an age which has seen the introduction of the Charter of Rights and equality legislation generally."

That is the end of the quote from Ms. Watson's letter, but I think it points out very clearly that the problem with the income tax act as it exists today in Ontario is that it is the middle-class income earner who bears the burden of taxation.

In referring Ms. Watson's letter to the Treasurer as I did, I should mention I referred it also to the federal Minister of Finance, Michael Wilson, as we wanted to discuss work-related expenses for taxation purposes.

In the Treasurer's reply to me, he said:

"I agree with Ms. Watson's general sentiments that the child care expense deduction is not properly meeting the needs of today's society. Ontario has been examining this deduction in the context of other family-related tax measures and as part of the broader issue of accessible child care. As I announced in my budget, the whole issue of the province's role in providing child care services is currently under full review. The federal government has just announced its intention to undertake a comprehensive review of the tax system, a review which Ontario has been advocating for some time. The child care expense deduction is a good example of the types of issues that must be addressed as part of this review, and Ontario intends to pursue this and other related social concerns through its participation in the reform exercise."

15:50

What I have to ask the Treasurer is this: when does he see this full review being done by his ministry and in conjunction later with the federal minister?

I appreciate the fact that there is a recognition here that the child care expense deduction is not properly meeting the needs of today's society. The very fact that we have the socioeconomic climate that we have makes it very difficult and almost impossible today for young couples to have a family and to work. I suggest that every level of government has a tremendous responsibility to the future of this province and of this country in terms of these young families. I know taxation is a burden for all ages and for all families, but in this area I am addressing the young families in particular because they are of child-bearing age. Our socioeconomic climate requires that both husband and wife work today, not necessarily to have a very high standard of living, but to have a comfortable standard of living, and purely and simply even to purchase a home.

If we are going to believe in families and in the family as the focus of our lives, as the Progressive Conservative Party does in this province, we have to do whatever we can to protect those families and every aspect of their lives. It is with grave concern that I look at a young family that is trying to buy a house, or even pay rent in some other form of accommoda-

tion. They struggle, with both incomes, to pay for day care and child care supervision services. It is not an area where they have a choice. It used to be that day care services were looked upon as a baby-sitting service, as a luxury, so the mother could go to her coffee clubs, and perhaps, if she was fortunate, get out to play tennis or golf or to curl or whatever.

Those days are long gone. Day care services in this province are no longer a luxury; they are a necessity. Since they are a necessity, it would be fair to recognize that a \$2,000 deduction for day care, when the actual cost of that day care to many families can be as high as \$5,000, is simply not adequate; it is simply not fair and not suitable.

Perhaps the Treasurer will be able to tell us when the full review will be done that he refers to in his letter to me of two months ago, what he plans to do during his review and what kind of answer I can give my constituents in Mississauga South who bear this burden today as middle-income families.

I have appreciated the opportunity to present at least that one area of concern of the people whom I represent. I wish that the next bill any government in Ontario brings forth to amend the Income Tax Act will address the concerns of the people who pay income tax in this province and that, jointly with the federal government, there will be the relief that is needed. I hope there will be the recognition, as a previous speaker said this afternoon, that not everything must be the burden of and fall upon the income tax and that not everything must be directed by government on the middle-income earner, who seems to have fewer concessions overall.

That this government has chosen to continue the three per cent surtax on the basic Ontario income tax is a direction we feel is regrettable, because that three per cent surtax had an automatic expiry date. It seems this government has chosen to continue it for an indefinite period. These myriad of surcharges and special calculations that comprise Ontario's income tax today make it very complicated. Income tax is no longer seen as equitable, because the larger burden falls on the middle-income class.

I am not proud that Ontario is the second-highest-taxed province in Canada. The current government should see it as its very real responsibility to change that.

Mr. Foulds: I have three questions to place to the previous speaker. Would the member care to outline the federal Tory government's position on the funding of day care centres? Will she give

the House her definition of "middle-income earner"? Where would she like the additional burden of taxation to be placed, if it is not on income tax? Would she like it shifted to property tax? Would she like it shifted to corporate income tax? Would she like it shifted to Ontario health insurance plan premiums? Would she like it shifted to sales tax? Perhaps the honourable member can answer those questions.

Hon. Mr. Nixon: I would also like to comment. I appreciate the member for Mississauga South referring to the child care-day care situation, which is emerging more and more as an important issue and which will undoubtedly be before the House for the next few years as a substantial, expensive and important emerging issue.

The Minister of Community and Social Services (Mr. Sweeney) has indicated that his officials and others are working on a policy statement on behalf of the government; it was referred to in the budget in May. There was just a line in the budget because our previous commitment for 10,000 new day care places to be distributed across the province is just now being fulfilled, but even that large number is in many ways a sort of patch on the situation. The federal government has a report that indicates a mature day care system will cost as much as \$11 billion in addition to what is payable now.

I read an article, I think by Rosemary Speirs, in the Toronto Star last week, indicating that she thought or had heard the federal government was withdrawing from its commitment to support such programs under the Canada assistance plan. I sincerely hope and trust that is not the case, because any initiatives taken in Ontario must surely count on at least 50 per cent support, if not better, from the government of Canada.

The matter is important, and income tax will be one of the sources for funding any new program initiatives.

Mrs. Marland: In reply to the New Democratic Party member's question about what the federal Tory government is doing, let me say that since I am elected in Ontario as a member of this Legislature, I do not get to speak on behalf of the federal government. That would be very presumptuous of me, and I would not wish to comment. I am encouraged, however, that the federal government is at least looking at a review of its income tax legislation.

In reply to the honourable member's question about where I would see taxation falling and whether I would like to see it on property taxes or OHIP premiums, etc., naturally, I would not like

to see it on property taxes. The direction that has been taken, unfortunately, is that more and more taxation has been falling on the property tax base at the municipal level. I find it very interesting that the NDP member asked what I would do with OHIP premiums, since the NDP was among the group that would like to abandon OHIP premiums altogether. I would ask them, who would then be paying for health care in this province?

16:00

Hon. Mr. Nixon: I appreciate the comments made by the honourable members on this bill. The criticism that it does not go far enough by way of reform is valid. It is simply a minor change, although the continuation of the surtax indefinitely is a very serious matter, as the honourable members have pointed out. It will return something like \$26 million in one full year, which is about what we spend in one day on medical service. While it is a huge amount of money, as a source of income in the general scheme of things its relevancy fades a bit.

It is, however, an increased imposition on those earners at the top end of the scale. The member for Mississauga South, from her particular ambience, might see it as middle income, but we think a taxable income of more than \$50,000 is in the upper range, and we feel an additional responsibility there is not untoward.

However, in response to valid comments made from both official opposition parties, I would also say that the more long-term impact of tax reform is something of great importance. Michael Wilson has indicated that the government of Canada has a program whereby much heavier responsibility for revenues will be moved to a sort of sales tax, which we have always felt was somewhat regressive. This concerns us, particularly since his emphasis on other sources of revenue seems to have been downgraded somewhat.

Honourable members will know I am going to Edmonton later this week to meet with the other treasurers under the chairmanship of Mr. Wilson in a continuing ad hoc committee of treasurers, which I find extremely interesting and helpful. We will have an opportunity, as treasurers, to talk about our views of what the tax reform will be in the next few months and the next couple of years, but there is quite a commitment by the government of Ontario, as expressed by the Premier (Mr. Peterson) and myself, that a thorough-going tax reform is under way.

We hope to co-ordinate it with the government of Canada and our sister provinces, particularly Quebec. We do not feel the necessity of being in

some sort of lockstep with the other provinces and the government of Canada, although we have found more and more frequently that paralleling federal initiatives, particularly in corporation tax, is a method of simplifying the returns for business people which is quite productive.

Both federal and provincial governments are interested in maintaining revenue, but we particularly want fairness, justice, equity and simplicity. We think those can be accomplished with the co-operation and advice of all concerned, particularly those in this House.

I appreciate the concerns expressed by honourable members, and I hope they will give this bill passage.

Motion agreed to.

Bill ordered for third reading.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 32, An Act to amend the Tobacco Tax Act.

Hon. Mr. Nixon: The bill provides for increases to the rate of tax on both cigarettes and cut tobacco. The new rate of tax on cigarettes will be 2.83 cents per cigarette, which represents an increase of 0.13 cents from the old rate of 2.70 cents per cigarette. The new rate of tax on cut tobacco will be 1.6 cents per gram or part thereof, which represents an increase of 0.1 cent from the old tax rate of 1.5 cents per gram.

The aforementioned increases will be effective as of January 1, 1987. No additional tax will be required in respect of the cigarette and cut tobacco inventory held by tobacco wholesalers and retailers at the time of the tax rate change.

The bill contains a provision requiring the filing of information, returns by tobacco manufacturers, importers and wholesale dealers, to assist in the administration and enforcement of the act.

Mr. Stevenson: I wish to make a few comments regarding this bill, the amendment to the Income Tax Act. Again, my comments will relate not totally to the changes themselves but also to the impact of the industry, what this increase will do to the industry, and some comments relating to how we would like to see spent some of the revenue from the tobacco tax.

If one goes back a few years, one can find all sorts of quotes from our Treasurer of today scoffing at the previous government for spending less money on the agricultural budget than was obtained from the tobacco tax revenue from that part of that province. It was sort of living off the avails, if one wanted to put it that way. We can find quotes as recent as the last election

campaign, talking quite extensively about the agricultural budget being less than the revenue from tobacco tax. In fact, he used that theme in a number of speeches in agricultural ridings around the province, and I suppose one could say he used them quite effectively in certain areas.

Now we see the same person today bringing in an act to increase the tobacco tax once again. I suppose the tobacco farmers of Ontario would not be terribly concerned about that if part of the revenue were being used more effectively to deal with the problems that governments have created in the tobacco industry.

We know—and it has been in the media quite frequently in the past couple of years—about the restructuring that is going on in the tobacco-growing areas of the province. The Treasurer is familiar with those, because he represents part of that area. My colleagues the member for Elgin (Mr. McNeil) and the member for Oxford (Mr. Treleaven), who also represent part of the tobacco-growing area, have brought the economic stresses from that area to my attention many times, and I have visited that area at least twice in the past year and a half to talk to the tobacco growers about some of the problems. Just a few months ago, I spoke there at a meeting.

These economic stresses do not affect just the producers but also whole communities. It shows up in the businesses of those areas and the whole social fabric of the tobacco-growing part of the province. I do not mean to suggest that government taxation and government actions have been the only reasons for the necessary restructuring in the tobacco industry, but most certainly government taxation has been an important part of it.

16:10

If certain members of our society decide, by their own personal choice, that they are going to smoke, I do not know that it is really up to the farmers of Ontario to worry about the moral or health issues involved. If there is a market there and it is legal to produce that product, then our people should have every option available to them to grow tobacco and to make tobacco products.

Now that the industry is being restructured, it seems that since the governments of the day have shared very greatly in the wealth from the tobacco industry, they should now be prepared to share quite significantly in the restructuring of that industry and the economic problems of those communities as that particular industry winds down.

We know the amount of tobacco that will be produced in this province in the future will

decrease fairly significantly. Undoubtedly, the industry will continue to exist for many years, but until that shakedown occurs, there will be very considerable stresses on the producers, on the families and on the communities in the tobacco-growing areas.

In the budget of this year, we see that revenue from the tobacco tax is estimated to be \$590 million. From comments coming from the Treasury, we know the Treasurer has quite conveniently underestimated his revenues for this year to the tune of about \$800 million. I fully suspect the \$590 million is probably more than \$600 million of total revenue from the tobacco tax.

That happens to be on page 51 of the budget. These are not Tory or New Democratic Party figures; these are figures coming right from the Treasurer's budget. It is the budget that was read here in this Legislature, with the Treasurer's own name placed on the front.

If we go from page 51 over to page 39, we see that the total budget for the Ministry of Agriculture and Food is \$457 million. By simple subtraction, we can see that the total agricultural budget for this province includes direct assistance to farmers; the salary and overhead of all the Ontario Ministry of Agriculture and Food employees, approximately 1,500 of them; all the financial assistance to the whole marketing division of the ministry; research at the University of Guelph, the Ontario Agricultural College; all the colleges of agricultural technology around the province, and on and on. All those programs add up to \$457 million.

Tobacco revenues are \$590 million or, as I say, probably more than \$600 million, leaving a difference between those two figures of \$133 million this year alone. Very clearly, the Treasurer and this government continue to do the sort of thing the Treasurer condemned in previous years and in speeches right up to election time, as I mentioned before. Now, when he has the chance to do something about it, to put a significant amount of money into that part of the province, he has clearly declined to do so.

In looking at the programs brought forward by this government to try to assist the tobacco-growing areas, we see it brought in a \$6 million program called farmers in transition. I believe it was \$6 million over three years. It has been used to some small degree of success in certain parts of the province, but I can recall hardly one favourable comment about the FIT program in the tobacco-growing area of the province. The main intention of the program was to help this

area, which was mentioned in the announcement of the program. It has been an embarrassment to the government in that area.

A few months ago, the government said it was going to phase out the program. It now appears that it is not, and it obviously is a program that it wished had been much more successful. If it could redo the program, I am sure it would be brought back in a very different form. There we are talking about \$6 million over three years and here we are talking about a difference between the agricultural budget and the tobacco revenue of \$133 million per year.

In July 1986, the government announced a \$930,000 program, again over three years, to try to analyse the problems in the tobacco area. Most of that money will go for a study and not to the farmers or the community. It is intended that the study come up with ideas of alternative crops for that area so that farmers can diversify or, in many cases, I suspect, get right out of tobacco growing. Anyone who realizes the significance of the problem in the tobacco-growing areas will realize that \$930,000 over three years is clearly not going to be a significant amount. Although that job needs to be done, once again I am afraid the press release is at least as important as the program itself in the eyes of this government.

Those are my main comments on the bill. It is rather sad to see the actions of this Treasurer flying in the face of everything he has said over the past several years and to see him increasing revenues at this time. As I have said in discussions on previous bills, the government has had about a 25 per cent increase in revenue over two years. Very few individuals have an increase in disposable income of 25 per cent in two years.

This government has here an economic wind-fall and it is fortunate enough to be in the position to utilize it. Most previous governments have not had that sort of economic fortune. Again, it is taking a grab from the tobacco tax and not putting it back into the industry to help it restructure and cope with the great decrease in tobacco usage. Part of this decrease is because of health interests and part is because of increased taxation. If the government wants to increase the taxes, that is fine, but let us put a big slice of that money back into the tobacco-growing areas to help these families and communities cope with that very significant economic restructuring that is going on there.

16:20

Hon. Mr. Nixon: I would like to make a couple of points. The honourable member makes

the argument as I used to make it, I think both of us with equal effect, that the government might consider at least spending on agriculture what it takes in through tobacco tax. We have done two things to move towards that.

One was to abandon the ad valorem tax on tobacco, which I believe was set at 45 per cent plus sales tax, which was a real revenue generator, as the member will know. We have repealed that, and this is the first time we have come in with a specific tax that is directly in step with the rate of inflation. In fact, the net revenue increase over a year will be less than \$30 million. That is a very significant amount of money in absolute terms, but as I said of the last bill, it is less than one day's cost for our health system. The relevance of the increase is not as great as one might otherwise think.

The member also mentioned the farmers in transition program. Far from being disappointed in it, we were delighted with its effectiveness and we were quite honoured when the government of Canada picked it up in almost precise detail and implemented it for the whole of the country. The only reason we backed off from part of it was that we felt it was a needless duplication to be doing at our expense what the federal government was prepared to do in all the provinces, including Ontario. The parts we left in were those that were not covered by the federal government's rather later initiative. I want to be sure that is understood. I will reply in a more general way to the member's comments at the end of the debate.

Mr. Speaker: Are there any other questions? Does the member for Durham-York have any further response to the minister? He has up to two minutes.

Mr. Stevenson: The Treasurer comes back with an argument I would have expected him to make in light of the situation. It is still very clear that at a time when agriculture in general is in the most significant economic upheaval and stress it has been exposed to since the Depression in the 1930s and when the agricultural communities of this province are in a serious situation, a Treasurer from that area continues to do the things he spoke so much against in previous positions.

Hon. Mr. Nixon: However, we increased the Agriculture and Food budget by 39 per cent.

Mr. Stevenson: Yes, and in the year when other provinces—

Miss Stephenson: It is not 39 per cent.

Hon. Mr. Nixon: It is.

Miss Stephenson: The Treasurer should stop perpetuating that figure.

Mr. Stevenson: The past three increases in the agricultural budget have been 16 per cent, 21 per cent and 13 per cent. The last increase of 13 per cent is the lowest in three years, at a time when other governments are increasing it well into double figures, Alberta by 75 per cent in one year and Saskatchewan by 100 per cent in one year. This year's increase, 13 per cent, is the lowest in three budgets. The Treasurer is not responding to the agricultural need at all. I am sure he will not make up the \$133 million in this year; so pretty well everything he has said in the past were wasted words. He is not doing what he promised he would do.

Mr. McGuigan: As a former tobacco grower and also a member for an area where there are a considerable number of tobacco growers still operating, I should point out a couple of points to members. Production is going down in Ontario, but a number of items have been responsible for that. Concern about health is one that is mentioned and one the government should be concerned about. In spite of that, consumption of tobacco in Ontario is actually going up. While a great many older people are giving up smoking tobacco, the number of young people coming on is more than making up for it. It is especially disturbing to see in the statistics that the greatest increase in lung cancer now is amongst women because young girls and women are smoking on a par with or more than on a par with men. The biggest loss as far as the production of tobacco in Ontario is concerned comes from the loss of export markets. These markets are not affected by the tobacco tax because we have no way of applying the taxes in foreign countries.

I bleed along with other members when I talk to tobacco growers and realize how badly they have been hurt by these losses of acreage and poundage. In Kent county, we grow burley-type tobacco, which is a strong tobacco. It is the tobacco our grandfathers probably smoked in a pipe years ago. This tobacco has not been grown for the past two years because the market for burley has almost disappeared. It is a tobacco that is largely exported. Other countries, especially those that have large supplies of labour, now have learned how to grow and grade the tobacco. The advantage we had over the past number of years was that we were able to grade and prepare the tobacco better than other countries. They now are doing it themselves.

I urge the government to make every move it possibly can to alleviate the position in which

tobacco growers find themselves. It is largely a matter of a transition. We have to find other crops for them to grow. I mentioned to my friend the Minister of Agriculture and Food (Mr. Riddell) a little while ago that perhaps some of the farmers who now are being displaced largely because of actions in other countries such as the United States and in the European Community could go into producing seedlings. Tobacco growers are particularly adept at producing seedlings. They start the tobacco plants in a greenhouse. Perhaps we could produce seedlings in some of these greenhouses. Some farmers could find a place in reforestation and management of forests. I understand the problem is not so much in planting the tree as caring for it afterwards. We have a pool of people who have the knowledge and expertise and like an outdoor life. It might alleviate that situation.

In closing, I bring to the members' attention that activities beyond the shores of Ontario and Canada affect tobacco growers far more than actions taken here in Ontario.

16:30

Mr. McNeil: Before I start my remarks, I would like to say I was interested to read in an issue of the local Times-Journal last week that the Treasurer had visited the city of St. Thomas for two hours during the 1971 election campaign and promised the Liberal candidate that he would be a member of a 12-member cabinet. I do not know whether he remembers that, but I thought I should remind him of it.

Hon. Mr. Nixon: I was going to have five ministers of agriculture, as I recall.

Mr. McNeil: The thing that impressed me most was the fact that he thought he would have a 12-member cabinet.

It is very interesting that Bill 32 enacts the proposal contained in the May budget to increase the rate of tax on cigarettes from 2.7 cents to 2.83 cents per cigarette and on tobacco other than cigarettes or cigars from 1.5 cents per gram to 1.6 cents per gram. I understand these changes will result in \$5 million in additional revenue for the government in 1986-87 and \$27 million in 1987-88.

I also recognize the fact that we have many people in this province who would like to see the tax increased to such an extent that the consumption of the product would be completely eliminated. Many question the possibility of this happening. I suppose we could discuss for ever the elimination of tobacco and liquor taxes, known for a long time as the sin taxes. I doubt if the increase in taxes will ever eliminate the produc-

tion or consumption of these products. I have stopped it, but my age is responsible for that.

We must and should recognize that these products produce a great deal of revenue for our province, which in turn will be used for various social services that are so needed and essential to the welfare of our citizens. Just think what might happen to our economy if we should put all our tobacco farmers out of business. Just think what will happen to those lands in southwestern Ontario where high-quality tobacco is being produced by professionals who understand the industry and who have transformed what was a rather nonproductive agricultural area in the 1920s into one of the highest productive areas in our province.

I had an opportunity a few years ago to participate in trade missions to promote the sale of tobacco in overseas markets, markets that recognized the quality of our tobacco, with its desired nicotine-tar ratio, but unfortunately we found we could not compete in these markets because of our production costs, which are much higher than in some of the other tobacco-growing areas of the world.

I ask the Treasurer, who must have a great appreciation of the industry since he represents one of the largest tobacco-growing areas in the province, that this increased money be used not only to promote export markets but also to assist industries to locate in the areas that are being affected by the depressed economic conditions facing our tobacco farmers.

Unfortunately, many citizens in our province do not understand or appreciate the contribution farmers have made to the economy in this province. Never before have I seen farmers so depressed and downhearted. Low prices, increased input costs and difficult marketing conditions this fall have had a devastating effect on all our farmers, including tobacco farmers. We should and must recognize that farmers engaged in agriculture have made an outstanding contribution to our province.

I re-emphasize that we produce tobacco of the highest quality of any produced in the world. I recommend that the Treasurer and his government continue to support a program of exporting this high-quality tobacco, which in turn will assist the economy of this province. The agricultural industry, including tobacco farmers, has made and will continue to make a great contribution to our economy. The members of the government should never allow the industry to die. It appears they are determined to do just that, with increased taxation. In fact, it appears

they are trying to kill the goose that laid the golden egg.

The Treasurer may be interested to know that, to cut expenses, the Flue-Cured Tobacco Growers' Marketing Board decided this fall to close a warehouse in the town of Aylmer, which is in my riding, five miles from my home. That decision will have a devastating result on the economy of that area. Tobacco farmers who in the past have shipped to the warehouse in Aylmer will now be shipping further, with the result that they will have increased costs of production. This is very detrimental to the industry at a time when it is suffering economic stress.

The Treasurer may say that under our system, hearings did take place before the appeal tribunal. After the hearings concluded, the tribunal decided the exchange should be closed. The unfortunate part of this whole exercise was that the growers in the area were never consulted before a decision was made. With the difficult economic problems farmers are facing, it would have been good common sense to hold meetings in the tobacco area being affected and to explain to those tobacco farmers the reasons for this closure.

Mr. McGuigan: The farmers threw out the board the other day.

Hon. Mr. Nixon: Including the chairman.

Mr. McNeil: I think that is a reflection of the fact they were not satisfied with what was happening. Unfortunately, our tobacco farmers, along with all farmers, are experiencing serious economic problems. I implore the Treasurer to use this increase to assist an industry that makes a great financial contribution and really needs assistance at present.

Mr. Harris: I would like to associate myself with the remarks of the member for Elgin (Mr. McNeil) and indicate to the Legislature not only my support for the position he put forward but also that of our party and the concerns we have. The lack of consultation he talked about seems typical of this government and this Treasurer. They seem to consult by the form of putting out a press release saying, "We are consulting."

When it comes down to being out in the field and consulting with those affected, this is not an isolated case or example of a government by press release. A government that operates that way will be a short-lived government and one that will get its just rewards. I did not want to let the opportunity pass without echoing those concerns as put forward by the member for Elgin.

16:40

Mr. Speaker: Is there any response?

Mr. McGuigan: I have to comment on the remarks of the member for Nipissing (Mr. Harris).

Mr. Speaker: Order. The member for Nipissing was commenting on the comments by the member for Elgin. Are there any other members wishing to participate in the debate?

Mr. Foulds: In the debate or on the comments?

Mr. Speaker: In the debate.

Mr. Foulds: Yes, please. I rise to indicate our support for the bill. I do not think there is a more difficult topic that meets members of the Legislature than this bill. All of us understand the difficulty currently faced by the tobacco industry, both the farmers and those working in the tobacco industry. There will be periods of job dislocation, and there will be a downturn in the tobacco industry. That has less to do with taxation, which is what we are discussing at present, than with the current attitude towards smoking.

There has been a monumental change in the attitude of society, in the western world at least, towards smoking in the past 15 years, probably larger than any other single social change. It is simply not acceptable these days to smoke; it is not cool. We do not see movie heroes sticking a cigarette in the corner of their mouths as they pursue the killers, as Humphrey Bogart did back in the 1930s, the 1940s and even unto the 1950s. Now it is simply frowned upon. I notice the change in aircraft; there are now a lot more nonsmoking seats than there are smoking seats.

I have a good deal of sympathy, and I want to put that on the record, for those in the tobacco industry who face change and who are going to continue to face change. I hope that not only this government but also the federal government will do what they can with their farm assistance programs and with other programs to help lessen the dislocation in the industry. That is just as important for those men and women who work in our tobacco factories as it is for those who work on our tobacco farms.

It is a difficult issue because we know that smoking is hazardous to health and, therefore, the solution of exporting tobacco to the Third World in large quantities is not a solution to the production problem. It may be a short-term solution to the problem from a selfish and internal point of view, but that is, from a selfish and internal point of view, in a country that, by and large, is already wealthy. I feel some chagrin

when I see multinational tobacco corporations targeting the Third World as a potential market to make up for the loss of markets in North America and in western Europe. I do not think that is a very good thing to do. It is callous and calculating and not a solution to the problem.

To speak specifically about the act, I am glad to see the Treasurer is not trying to use taxation as a method of making a moral statement. I think it is wrong to use taxation, and excessive taxation at that, as a prohibitive tool, whether it be on drinking or on smoking. We need to have other legislative means and tools of societal changes.

For example, I believe taxing tobacco too heavily is very regressive, because most of the people who continue to smoke are in low-income families. One of the reasons that occurs is that a lot of people who have no hope in this society seek crutches to maintain hope. One of those crutches is smoking. That happens to a number of people, not only for economic reasons but also for social and emotional reasons.

I understand the difficulty the Treasurer personally finds himself in when it comes to debating this bill, because he recalls very well when what are now productive farm lands growing tobacco were not productive lands. A number of people in our province who have had the opportunity to drive through what are now the productive tobacco lands automatically think of them as being fertile and productive lands, but it was not always so. For many years in the 1920s and the 1930s, they were essentially nonproductive agricultural lands.

Tobacco at that time was one of the few crops that could be grown, and it turned those lands into a rich agricultural region. It is our challenge at present, as a society and as a province, to find other productive agricultural uses to make the transition for the farmers in that area worth while, possible and productive.

I noticed a couple of months ago a small article in the financial section of the Toronto Star, of all papers, which reported a transition into tomato growing, I believe, and a small factory associated with that, on former tobacco lands. It is that kind of transition and that kind of encouragement that give us the added production, when we get into the processing of the tomatoes into tomato paste and so on, at which we should be looking.

Once again, I do not think we should use taxation as a method of punishing people because they smoke. We should be finding ways to encourage people not to smoke, and we should be using taxation simply as a method of rightfully gaining revenue. When we look at the tobacco

tax in that way, we should be looking at it simply as a revenue getter that is justified. There comes a point where, frankly, the taxation is too high and is unjustified. I do not think the Treasurer has reached that point. The modest increase he has suggested in this bill is justified, but he has come, cautiously and carefully, as close to the line as he can.

Mr. Ashe: I will be very brief in addressing a few remarks to Bill 32, because much of what I was going to say has already been said.

Hon. Mr. Nixon: By the member for Port Arthur (Mr. Foulds).

Mr. Ashe: Some of it was, yes, but some of it bears repeating.

I take a little exception to some of the remarks made by the Minister of Revenue (Mr. Nixon) earlier in one of his rebuttals, we will call it—his two-minute opportunity—when he seemed to take great credit in removing the ad valorem principle from some of the taxes in Ontario, including the tobacco tax. The reason I take exception is that there is no doubt they went through the charade of removing the ad valorem, but it did not mean anything.

With this new increase, I suggest, the tobacco tax per cigarette is just as high as or higher than it would have been in the ad valorem system. We know for sure that in the Gasoline Tax Act and the Fuel Tax Act, the taxes are at their highest levels, thanks to the grandiose gesture by the Treasurer in removing the ad valorem principle just as the price was heading down. We want to make it abundantly clear to the taxpayers of Ontario that by removing the ad valorem principle, they are not paying less but are paying more; this is no more obvious than in the Gasoline Tax Act, the Fuel Tax Act and probably to a lesser degree in the Tobacco Tax Act.

16:50

Having said that, I find a plus in this bill. It is not the increases in particular. I happen to be one who is a nonsmoker and from a personal point of view would not care whether this was doubled or tripled. However, there is no doubt it does have an effect on people.

In section 2 of the bill, it says, "Every person who is a manufacturer, importer or wholesale dealer of tobacco shall deliver to the minister, without notice or demand, such returns at such time and in such manner as the regulations prescribe." I presume this is to give more teeth to the minister and the ministry in the policing aspect of the ministry, to try to make it less likely and less opportunistic for a wholesaler or some

other middleman to purchase cigarettes at a lower price in another province and bring them in and retail them at a significant profit without putting revenues into the provincial Treasury. Anything that cuts down opportunities for illegal operations is a step in the right direction.

One looks at the additional revenues this tax increase will generate. As was pointed out before, it is some \$5 million in this partial tax year, because the new tax rate does not come into effect until January 1, and some \$27 million in the next fiscal year, 1987-88. I suggest, as others have pointed out, that these additional revenues should be used in the way of educating people—educating our students, for example—to an even greater degree to the problems associated with the use of tobacco.

Although the Treasurer may look on that as spending money, I am sure the Minister of Health (Mr. Elston), supported in general by the medical profession and the Canadian Lung Association, would suggest to him that this is a very low investment for a very high rate of return, one that is probably much better than on the current issue of Canada savings bonds. One cannot track it; I acknowledge that. This is what always makes those kinds of political decisions rather difficult. However, over the years, the savings to the health care system would be a great return on that investment.

As far as the tobacco-growing industry in Ontario is concerned, we already recognize that it is a shrinking industry. The sooner we and the industry accept that and take an alternative course, the better for the province, the better for the growers and the better for the industry. I am not one of those who support throwing money at the industry so it can carry it on by way of subsidies to a product that, in my view, is not helpful to the community.

I do agree that those, particularly the farmers and those associated at the next immediate level in the community, who now are in the tobacco industry and have relied on it for quite a number of years for all or a significant part of their income, need assistance to change over to another product, whether, as was mentioned earlier, it is tomatoes or whether it is an industry that I know had some spark a few years ago, but probably has been withering on the vine, and that is peanuts. I thought it was an excellent commodity that was very tasty and was grown in Ontario.

I am not an expert in these matters to the extent that the Treasurer and Minister of Revenue is, but that is the place where we should be putting

subsidies, not into an industry that we must recognize is on the decline in this province and that probably only has one way to go, which is down even further.

The farmers and the industry should be helped but not by throwing good money after bad. They should be helped to relocate into other products or another industry. They will have to accept that although it might even be more productive and profitable to grow marijuana, they cannot go into that either. Possibly their tobacco-growing income cannot be continued and maintained. They may have to lower that standard somewhat with other products. In the meantime, as the Treasurer is doing in other ways by subsidizing assistance to change a commodity, he can do it here with the additional revenue generated with Bill 32.

We will be supporting the bill because it is reasonable and responsible. However, I must emphasize that I take great umbrage that the Treasurer is taking credit for the removal of the ad valorem principle at a time when he is increasing taxes generally.

Mr. Sterling: May I say at the outset that I will support the bill on second reading, but that I will put to the Treasurer certain amendments to his bill.

Hon. Mr. Nixon: He does not want it to go to committee.

Mr. Sterling: I will move it to committee, depending on the Treasurer's reaction to my suggestions. Many people know of my advocacy against secondhand smoking because of my Non-Smokers' Protection Act, which is in the standing committee on general government of this Legislature at present.

I am concerned about the great number of premature deaths occurring today in this province because of firsthand and secondhand smoke. Today 30 to 40 individuals will die before their time because of smoking. We cannot treat this matter lightly any more. I believe this government is turning a blind eye to the problem and to addressing the problems associated with the use of tobacco.

The elimination of this health problem has been recognized by the World Health Organization, as far back as 1975, as being the most significant preventive health care measure that a modern industrial society can take. When we address this difficult problem, I hope we can do it in a reasonable and logical manner and cover all the bases that need to be covered.

I would like to point out the areas where we must attack the consumption of tobacco in this province. I assume the Treasurer agrees with me

that the consumption of tobacco is not to the benefit of the 10,000 or 12,000 people in Ontario who die prematurely because of this habit.

First, we have to deal with the control of secondhand smoke, control in the work place and control in the public place. As I have said, I have proposed Bill 71, which does just that. In the past, we have tried to use the route of education. Unfortunately, that is not meeting the desired results of both labour and management, as we learned from the public representations to the standing committee on general government in September.

This bill is not about the regulation of the work place or public place. It is to control secondhand smoke. All the issues are intermingled. There are other problems which should be addressed as well. I will outline them to the Treasurer and I hope he will take my suggestion in dealing with the tobacco tax. Perhaps he will not take it this time, but perhaps he will take it when he addresses the problem again next year.

First, we have to deal with the tobacco industry. I include, of course, the tobacco farmers. Again, by turning a blind eye to the health problem, which I believe this government is doing, it is also turning a blind eye to the plight the farmers face at this time. When the quota for the amount of tobacco that they could sell drops from 170 million pounds to 150 million pounds, it shows how much each individual tobacco farmer will suffer because of that reduction in quota.

We must help those who are addicted to nicotine. Anyone who has done any research in this area says the majority of smokers are addicted to this habit. It is an addiction and, therefore, it takes a lot of determination to get off that addiction. The greatest hope we can have is that we can prevent young people from starting to smoke. I am going to say a few more words about young people who are starting to smoke in this province. Those people are increasing at an alarming rate, particularly in the last year.

Last, we must continue to educate our young people in particular about the ill effects of taking up the habit of smoking.

17:00

What has this government done to address any of these problems? First, let me deal with smoking in public places and smoking in the work place. On smoking in public places, the government has washed its hands and allowed municipalities to deal with that on a one-by-one basis. Do members realize that if every munici-

pality dealt with this particular problem, we would have 840 or more different laws dealing with smoking across this province?

In respect of smoking in the work place, no one has done anything about it in this province, but it will come, as we face the issue and as employees assert their rights. As we have heard in terms of the Canada Labour Code, there is litigation going on in that area right now.

How does taxation tie in when we deal with the rate of consumption of tobacco? I noticed the member for Port Arthur saying we should not use taxation to deal with the consumption of tobacco, but what many members of this Legislature have missed is that while the present increase in tobacco tax does keep up with the rate of inflation over the past year, the Treasurer's first budget in October 1985 did not keep up with the rate of inflation.

Thus, when we went into the year starting January 1, 1986, which was covered in the last bill, it was, in effect, a decrease in the real price of cigarettes caused by the one-cent-a-pack increase in tobacco tax in the October 1985 budget. If the Treasurer had kept up with inflation, he would have increased the price of a pack of cigarettes by some 18 cents more. By keeping that price up, he might have stemmed the flow of young people taking up the habit, as happened in unprecedented numbers in this province in 1986.

I draw the Legislature's attention to a number of documents that relate to the fact that as the price of cigarettes goes up, consumption goes down. A number of studies have shown this.

Recommendation 4 of the report by the Ontario Council of Health in 1982, *Smoking and Health in Ontario: A Need for Balance*, says, "It is recommended that the government of Ontario take action to ensure that the retail price of cigarettes be doubled within a 12-month period by means of three phased tax increases in basic taxation of tobacco products and ensure through taxation that the price of cigarettes keeps up with inflation thereafter."

That is what an ad valorem tax was all about, actually, about keeping the tax up with the rate of inflation. If there was ever an argument for an ad valorem tax, it was probably on tobacco because of the fact that if we do not keep up with inflation, we decrease the price and encourage people to take up the habit.

Dr. Warner of the University of Michigan has recently done a study—this is a paper published in February 1986—on the increase of taxation in the United States on tobacco versus consumption. I

will read a couple of statements that come from this particular report:

"The total price elasticity," and that is the way it goes up or down, "exhibits a pattern of price responsiveness decreasing with age, as it would be expected for three reasons.

"1. Teenagers and young adults have smoking habits that are less well defined and of shorter duration, implying less habituation or addiction and hence the potential for more price responsiveness. That means they have not got hooked on the habit. Therefore, when the price goes up, there is more likelihood they will stop buying cigarettes.

"2. Young people may be more inclined to start smoking as a result of a price decrease than would older adults. That is what has happened in Ontario over the past year. I will refer to those statistics shortly.

"3. On average, younger people will have less disposable income, so that a price response may include more of an income effect. Therefore, because of the smaller disposable income that a youngster has, when the price goes up, there is a very good likelihood that he will forgo cigarettes in his priority of spending."

What has happened with regard to consumption over the past two or three years in our province? In 1983, a survey of 12-year-olds to 29-year-olds in Ontario indicated that 31.3 per cent of those youngsters were smokers. I guess I can call them "youngsters," as well as you can, Mr. Speaker. In 1984, that dropped to 30 per cent. In 1985, it went up slightly to 30.5 per cent. From 1985 to 1986, it went up to 36.6 per cent, a dramatic increase of 20 per cent in the number of young smokers in our province.

What has happened in the rest of Canada? In each and every region and province, the number of young smokers has dropped. It is significant to note that over that same period of time, taxation in most of those provinces increased dramatically. Members should know that over the past year there have been 175,000 more young people taking up the habit of cigarette smoking. This means \$100 million in sales to the tobacco industry.

One of the problems is what young people understand about the ill-effects of smoking. When asked specifically if they thought smoking caused lung cancer or lung disease, more than one third of the young Canadians who were asked that question insisted it did not. More than half of the young Canadians insisted that using tobacco does not make people addicted to cigarettes.

Of the young people who become regular smokers, 70 per cent start smoking before the age of 15 and they are smoking daily before they reach the age of 17. If we can catch them at an early age and keep them away from cigarettes during that very early period, we have a good chance of keeping them off smoking for life.

What has happened in Ontario, specifically with regard to consumption among young people? I have just pointed out the dramatic figures associated with that increase in smoking among our young people. Bill 32, An Act to amend the Tobacco Tax Act, increases the taxes by about 4.6 per cent, which is roughly equivalent to the rate of inflation.

If we go back to the October 1985 budget of the Treasurer and increase the rate of taxation to what it would have been had the ad valorem tax stayed in place, the Treasury would have approximately \$100 million or \$120 million more than it has currently.

I am suggesting to the Treasurer that he consider amending Bill 32 to increase the taxation of tobacco. I know it is not very common for a politician, particularly an opposition politician, to suggest a tobacco tax increase or any tax increase, but I have been known to do unusual things before.

17:10

At any rate, I suggest to the Treasurer that he raise the rate of taxation on tobacco by approximately 20 per cent. I am also suggesting to him that he put that 20 per cent aside to get the people who are involved in the tobacco industry—the farmers in particular, but also the workers who work in processing tobacco—the retraining, the resettlement and the other things that are necessary to get people away from that industry.

We have been reluctant in the past to make the proper moves to protect the health of our people in Ontario because of the lobby pressures of the people involved in the tobacco industry. However, if we address the problem head on, the health care problem and all the areas I have indicated before, and if we put this money aside to enable the tobacco industry to recover and get on another path, we will deal with the problem once and for all in terms of our interests in Ontario.

I am going to move in committee of a whole House, if the Treasurer will accept it as a friendly amendment—I wish I could draw the Treasurer's attention; he seems somewhat preoccupied with the Minister of Agriculture and Food.

I am going to ask the Treasurer to increase the tobacco tax by taking out the 2.83 cents per

cigarette and increasing it to 3.4 cents a cigarette, a 20 per cent increase, and by increasing the tax on cut tobacco from 1.6 cents per gram to 1.9 cents, another 20 per cent increase.

Then I am going to ask him to include in the act as an addition that 20 per cent of the revenue received in respect of tobacco tax shall be set aside in a special fund, the proceeds of which shall be made available to tobacco farmers to assist them either to convert their farms to produce crops other than tobacco or to prepare for alternative employment.

I am also going to move that the minister receive, consider and decide upon applications for grants and loans to be made out of the moneys made available under subsection 2(1) of the act.

What I am suggesting the Treasurer do here is increase the taxation on tobacco. According to the Warner study at the University of Michigan, if we increase the price by 20 per cent, we will probably drop the number of young smokers back by 20 per cent to the level it was at in 1985, and he will have in his Treasury approximately \$120 million to deal head on with the tobacco farmers and the tobacco industry. It is about time we took an upfront stand in dealing with this very significant social problem we have, and I hope I can gain his approval to introduce this as a friendly amendment.

Mr. Gregory: I have a comment on my colleague's remarks, and in doing so I totally divorce myself from his suggestion. I find it rather startling that a colleague would choose to punish his colleagues on all sides of the House who smoke. I have a friendly amendment to express my thanks to nonsmokers for stopping breathing while I smoke.

Hon. Mr. Nixon: I have a comment or two. The statistics the honourable member put before the House have been reported by the Non-Smokers' Rights Association. I found the statistics shocking and startling, as far as I was concerned. In reviewing them as carefully as I could, I feel the member and those people who agree with him have oversimplified their impact a bit. Perhaps I am a bit self-serving in coming to that conclusion, but I do.

I look at the tobacco tax statistics from across Canada. The member indicates that with our tax at 2.83 cents per cigarette, we are enticing young people into experimenting and then learning to smoke. He says the increase in utilization among young people is based on that, and yet he knows that in Alberta the tax is half that.

Mr. Mitchell: That does not make it right.

Hon. Mr. Nixon: The honourable member interjects that that does not make it right, but I do not think the statistics indicate the utilization of cigarettes is geometrically associated in that way. I do not think the statistics bear it out.

In this instance, I felt I had to bring the member's attention to the fact that although our taxation has not increased substantially in the past two years and at somewhat less than the rise in the cost of living, as he pointed out, it is still reasonably high compared with most other jurisdictions. We are not the highest. Quebec has gone much higher. I think a moderate approach to this is an important concept. I liked the comments made by the member for Port Arthur, which I thought were quite useful.

I do not want to dismiss the member's concept other than to say, in the seven seconds remaining, that his two amendments are obviously out of order, however friendly their intention may be.

Mr. Sterling: The Treasurer should look at the statistics on the rates of taxation in other provinces across our country. We have gone from the third highest rate of taxation in 1985 to about the third lowest. The Treasurer talked about Alberta having a lower tax. Sure it has a lower tax. The other provinces with higher rates of taxation are Newfoundland, New Brunswick, Nova Scotia, Quebec, Manitoba, Saskatchewan and British Columbia. The only ones lower are Alberta and Prince Edward Island; all the rest are higher than us.

I believe the statistics in terms of the young people taking up cigarettes are a direct result of the Treasurer laying back on the tobacco tax in his October 1985 budget. In every other province, they have increased their taxation to a large degree, and the consumption by young people in the rest of Canada has fallen by 13 per cent.

Hon. Mr. Nixon: What about Alberta? Its tax is half as big as ours.

Mr. Sterling: Its taxes stayed about the same, but its rate of consumption by young people has stayed about the same. In the rest of Canada, the rate of consumption has dropped by 13 per cent; it has increased by 20 per cent here. The Treasurer is being too soft on the tobacco tax, and he is encouraging young people to pick up the habit.

Mr. Mitchell: I was caught a little bit off guard because I had not planned on speaking on this bill, but in the light of the comments by my colleague the member for Carleton-Grenville (Mr. Sterling), perhaps the House will indulge me. They say the worst people against smokers

are those who are reformed smokers, but the points that are being raised by my colleague are valid.

I stand here today, fortunate in a way, because I went through quite a serious illness, a good part of which was created by the habit of smoking. I was a heavy smoker, smoking one and a half, two or two and a half packages a day. However, at that time, I pooh-poohed the effects of smoking on health, as did many others. I always found arguments against those who would say we should ban smoking or at least control it. I always had a rationale to answer all questions.

Having gone through the illness, I find the comments by my colleagues to be quite valid. When the price of cigarettes went up by a small percentage when I was a heavy smoker, I always grumbled but the money was always there to get the cigarettes.

17:20

I am a reformed smoker. Looking at what happens in our health care system and at the cost to our health care system of people in our cardiac units receiving treatment for abusing their bodies for years, what I am saying and what the member for Carleton-Grenville is saying is justified. Looking at the front row, a member who sits there, the member for York Mills (Miss Stephenson), was a heavy smoker, as I was. I am sure she will echo the comment that we do not appreciate what smoking is doing to us until it has done it.

I share with the member for Carleton-Grenville the viewpoint that we should increase the tax to a greater extent than now and, as he says, that the money should appropriately be put into a special fund to assist farmers and other people involved in the tobacco industry to make a transition.

They claim there is no one worse than a reformed smoker, but I think it is through our problems and the effects smoking had on our health that we are able to speak with some degree of knowledge. The member for Carleton-Grenville has promoted a bill to control smoking in the work place that is going to obtain my support. Close attention should be paid to the concerns he has raised here.

Miss Stephenson: I would like to participate in the debate for one or two moments. The member for Port Arthur suggested very strongly that it was inappropriate for the Legislature to attempt moral suasion through taxation. I am not convinced of the validity of his argument since I know the member for Port Arthur would ensure that we would attempt to develop moral suasion through all kinds of legislation in this province. I

have never been convinced that legislation can do that, but I believe there is a role in this area for a significant increase in taxation as an inhibition to the purchase by adolescents of readily available cigarettes.

I will not speak with the fervour of the previous speaker, the member for Carleton (Mr. Mitchell), as a reformed smoker, but I am acutely aware that what is happening right now is that many young women—and I mean very young women, adolescent girls—are taking up the dreadful habit of cigarette smoking. The member for Port Arthur suggested that somehow morality had overtaken us in terms of accepting or not accepting cigarette smoking. He would do well to recall that it is morality based on pathology that has become increasingly clear and lethal to a very large proportion of the population.

If we were really sincere in our efforts to ensure that we reduce this kind of fatal activity on the part of young people—as one who has been a smoker, I know how difficult it is to stop—it would be far better if we never encouraged them to begin. That is the burden of the amendments introduced by the member for Carleton-Grenville. His approach is entirely in the direction of attempting to ensure that young people do not begin the dreadful exercise of smoking cigarettes. I support him completely in that effort. I do not believe it is beneath the dignity or below the level of morality or aside from the ethicality of legislators to—

Hon. Mr. Nixon: Ethicality?

Miss Stephenson: Ethicality. Why does the minister not listen?

Hon. Mr. Nixon: Try to enunciate.

Miss Stephenson: I was enunciating very clearly. He was not listening very clearly; that is all.

I believe it is possible to introduce legislation that is multiple-faceted or has several prongs or several arrows to its quiver. I believe strongly that we should consider seriously the amendment suggested by the member for Carleton-Grenville. I believe we would be doing a great service to the young people of this province if we could ensure that we were doing everything we could to prevent their participation in smoking.

While saying that, I recognize clearly the plight of the tobacco farmers. I also recognize the requirement of legislators in this province, where we have the largest number of tobacco farmers and probably a significant number of all those involved in the tobacco industry, to attempt to provide them with some stimulus and some support in moving from the area of career activity

in which they are currently involved to another that is less likely to be totally limited in its future.

There is no doubt in my mind that there simply will not be a tobacco industry in this province in the not-too-distant future, and we have an obligation to attempt to ensure that date arrives sooner rather than later to the benefit of our population and to the benefit of those involved in the industry at present. There must be plans afoot, even in the mind of the current Minister of Agriculture and Food, because there were plans afoot in the minds of his predecessors, about the way in which that transition could be effected most readily and efficiently on behalf of the farmers.

The plight of the tobacco workers is a little more difficult, but it is not beyond the imagination of those involved in skills development in this province. I believe sincerely that the kinds of funds which the member for Carleton-Grenville is talking about could be applied very readily and specifically in that direction.

I know it is painful for Treasurers to consider directed funding or the extraction of any small portion from general revenue for a specific purpose, but in this instance, which is so important to the health of the people of our province and to the future of a very large number of workers in this province, particularly in the agricultural field, we should make this exception with not so heavy a heart as the Treasurer seems to be demonstrating on his face right at the moment.

It would be nice if the Treasurer could feel happy—

Hon. Mr. Nixon: The honourable member is very depressing.

Miss Stephenson: He always looks like this when I am talking about anything, so it does not disturb me especially, but I believe the Treasurer should listen quietly, carefully, sympathetically, understandingly and responsively to the kinds of suggestions that have been made.

Hon. Mr. Nixon: I will try to respond with all the alacrity, sensitivity, intelligence and friendliness that the last speaker was trying to force on me in her inimitable style.

On the issue that concerns me so much, that our taxing policy is leading more people than is natural to smoke, I want to point out that the most recent figures I have available indicate that the tax per pack of 25—before the passage of this bill—is 85 cents in Ontario, 37 cents in Alberta, 77 cents in Manitoba, 60 cents in Nova Scotia, 58 cents in Prince Edward Island, 77 cents in the Northwest Territories and 80 cents in the Yukon.

There undoubtedly have been changes since, but this is dated May 16, 1986.

Miss Stephenson: How does that compare to the available income?

Hon. Mr. Nixon: I am afraid I cannot enter into a defence of all the ramifications that may be interjected, but while our taxing levels here have not accelerated as fast as they have in the past, they are higher than in many other provincial jurisdictions. It is true that during the past two years they have gone up by only four per cent, not counting this increase. I consider this to be a moderate and useful approach, and I reject the idea that this taxation decision is causing the deaths of scores of teenagers. I reject that and I simply believe it is not true. I am not prepared to say for a moment that the use of tobacco is not injurious to health. I am not a doctor, and I read everything about it.

17:30

Mr. Sterling: On a point of privilege, Mr. Speaker: Will the Treasurer point out where someone said that smoking was killing teenagers? Will he refer to somebody's statement? Is he referring to something I said?

Hon. Mr. Nixon: If the import of the honourable member's speech was not that our low taxation level for tobacco was leading teenagers into smoking, and therefore into death, then I am not sure what his point was. Perhaps he had better clarify it.

Mr. Speaker: With respect, we have had the debate. The member had made a point, and now I have asked the minister to wind up.

Hon. Mr. Nixon: I appreciate the comments made by many members. This is a difficult situation indeed. The fact that many of these growers are constituents of mine is not irrelevant; everybody is aware of that. I have a duty as a member for the area to speak on their behalf as well as to have taxation policy that is for the good of all concerned. I hope these are not mutually exclusive—I do not believe they are, and my judgement is amended by the advice of my colleagues from time to time.

We believe revenues of about \$600 million from the tobacco sales in the province are not out of the way. We feel this is a substantial source of revenue. I do wish, to go back to a point made by the member for Durham West (Mr. Ashe), we could allocate all that money to agriculture. My own feeling is that with the support of the Minister of Agriculture and Food, who has had a good many new programs in the few months we have had the responsibility of government, we

will be essentially doubling that budget in the next reasonable period of time. Am I going too far? Perhaps not.

Hon. Mr. Riddell: The Treasurer is doing fine.

Hon. Mr. Nixon: I am going to leave it at that, anyway, because between the two of us we think we are doing fairly well, and we have the support not only of our own people but obviously also of members on all sides of the House who want improved farm programs. We hope to bring those forward.

I would also say the tobacco farmers are showing all sorts of initiative on their own to come forward with alternatives that once again are supported by the Ministry of Agriculture and Food. One of the honourable members was good enough to refer to the tomato paste experiment. I am glad to inform the House that their first year's pack has been excellent; it was six million pounds, or something like that, with half of it already sold, and of an excellent quality. We are informed that this has been done without interfering with the market already established, which was the fear of some people, and a very reasonable fear it was. We feel we are expanding the Canadian market. This was an initiative taken by the Ministry of Agriculture and Food and by the minister himself.

Somebody referred to peanuts. Some of the peanuts are grown in my constituency. Anyone who is down in the Simcoe area might very well stop off at these places and buy some of the products freshly roasted out of the fields. They will find they are the best peanuts one can buy anywhere, and at a reasonable price.

Still, there are no crops that can replace tobacco and return to the tobacco farmers the kind of prosperity and economic buoyancy they have experienced during the past two or three decades. I wish there were, but that is not the case. These farmers have been subjected to a more rapid rate of change in their fortunes than has anyone else in the Ontario community. From the very richest segment of agriculture, they have been reduced to a situation where their future is substantially in doubt.

I do not agree with the member for York Mills, who said the tobacco business was in its last days. I believe the reduction in poundage grown, from a couple of hundred million pounds to about 130 million pounds this year, is the largest reduction we are going to experience. It may go down a bit more, but the honourable member, in spite of the fact that the members speaking were not in support of exports, will know the tobacco

grown here is of high quality, with limited residues from sprays and chemicals, and is highly valued in the international market. At about \$1.20 a pound, our price is reasonable for international trade.

I was travelling in China recently, and I was quite amazed at the huge amounts of tobacco used there. It seems as though everybody there smokes. I was also interested to see that their mortality rates are just about as good as ours; but that is another matter, because the last thing I would suggest is that tobacco does not have a health impact. It is obvious that it does.

Miss Stephenson: Their mortality rates from what?

Hon. Mr. Nixon: From living.

Miss Stephenson: What were you looking at? They are very different—

Mr. Breagh: I think the Treasurer is losing. He should give up.

Miss Stephenson: Mr. Speaker, on a point of information—

Mr. Speaker: Order. Question period was completed quite some time ago. Just what is the point? You said you had a point of order.

Miss Stephenson: No, sir. I am simply asking for information.

Mr. Speaker: Order.

Miss Stephenson: I would like to see the information that allows the Treasurer to make that statement, because it is incorrect.

Mr. Breagh: We will have to go and investigate this.

Mr. Speaker: Order; minister.

Hon. Mr. Nixon: Perhaps it is infant mortality I had in mind.

Miss Stephenson: Not even there.

Hon. Mr. Nixon: Yes, it is; it is just as good as here. Anyway, I retract everything I said about the poor Chinese, who do smoke a lot. I wanted to sell them tobacco and they said, "Thank you very much, but we grow lots of it here." I think they grow something like 500 million pounds, if that is possible; huge crops.

Miss Stephenson: We sold them some, as a matter of fact.

Hon. Mr. Nixon: Yes, but that was only for the use of the central committee.

Miss Stephenson: It was 74 million pounds.

Hon. Mr. Nixon: They smoke a lot.

Miss Stephenson: The central committee consists of 25 people.

Mr. Speaker: Order. The debate has been completed except for the final wine-up—windup by the minister. Wine-up; if the minister wants to wine up—

Miss Stephenson: Are the Speaker and the Treasurer smoking the same stuff?

Hon. Mr. Nixon: I will wind down and simply say that this increase in taxation is minimal or nominal; it is about at the rate of inflation. The tobacco marketing board has accepted it, although some of the farmers have complained about it; that is understandable. The revenue on a year's basis is once again less than \$30 million, but it keeps track with the movement of the economy in general.

I appreciated the member for Durham West indicating that one of the sections of the bill requires the reporting of certain statistics, which we will make use of in enforcing this act. It is difficult to determine how much revenue we lose and how many cigarettes are sold in the province without the payment of appropriate tax, but one expert indicated it might be as high as \$50 million.

There is quite a big business in contraband cigarettes. We are doing our very best to control it. I think we are doing it in a fair way, although certain segments of the community have availed themselves of the ability to sell tax-free cigarettes, and this from time to time is a bit of a problem as far as revenue is concerned.

We are trying to bring this under additional control. There was even some suggestion at one stage that we should have the wholesalers mark the packs with something indicating tax was paid in Ontario to assist us in that control. I do not think it is a major problem, but if we consider that we forgo as much as \$50 million in revenue, it is something a Minister of Revenue thinks about.

I appreciate the limited support from the honourable members, and I hope the bill will receive second reading.

Motion agreed to.

Bill ordered for third reading.

17:40

GOLD CLAUSES REPEAL ACT

Hon. Mr. Nixon moved second reading of Bill 130, An Act to repeal the Gold Clauses Act.

Hon. Mr. Nixon: This is the bill the House has been awaiting for many weeks. The repeal of the Gold Clauses Act will accomplish two things. First, the economic circumstances that sparked gold clauses legislation in the 1930s have altered, and paper money no longer requires the protec-

tion from gold that initiated gold clauses legislation. The United States and the Parliament of Canada have both repealed their gold clauses legislation.

Second, lawyers and financial advisers have brought to my attention that the Gold Clauses Act introduces an unnecessary complication into transactions where Ontario residents are borrowing money abroad in the currency of that country. The Gold Clauses Act provides that if the law of Ontario applies to the loan, the loan can be repaid, dollar for dollar, in the legal currency of the country where repayment of the loan can be made.

If an Ontario borrower borrows US dollars from a European bank, the parties usually contemplate that the loan will be repaid in US dollars. Normally, repayment would be made either in Ontario or at the lending bank in Europe. In either case, the Gold Clauses Act would allow the repayment in Canadian currency where the repayment was made in Ontario or in the currency of the European country in question where the loan was repaid in Europe. Neither of these repayments would provide US dollars to the European bank that lent US dollars to the Ontario borrower.

Because of the provision of the Gold Clauses Act, lawyers had to advise foreign lenders that as long as the law of Ontario applied to the contract, the lender could not be sure of getting his money back in the currency lent. The result was that some other law was chosen to govern the contract, but the complication was a nuisance to the party. It had ceased to be the protection it was intended to be in the 1930s, when the act was passed.

For these reasons, I have moved second reading of this bill to repeal the Gold Clauses Act. There is no advantage to Ontario in retaining the act, and there is some benefit to our citizens from repealing it.

Miss Stephenson: I congratulate the Treasurer on this jewel in the tiara of tax legislation he has introduced in this House in recent weeks. It is about time this happened, although the repeal at the federal government level was only two and a half years ago. I think it was late 1983 when the repeal was effected at the federal level, and it was 1977 when the US removed itself from the requirements of similar gold clauses legislation.

The advantages to individual Ontario citizens are those which the Treasurer has outlined, and repealing the statute obviously causes no disadvantage to Ontario or to the Treasury. Therefore, it is with considerable satisfaction that I stand to

tell the Treasurer we will be supporting the passage of this bill, An Act to repeal the Gold Clauses Act.

Mr. Foulds: As I understand it, the original Gold Clauses Act allowed someone to pay in other than gold, even if he had promised to pay in gold. This was called the "weasel out of paying your debts in gold act." Now that our currency is so strong, it is not necessary to have this act any more. Is that correct?

Hon. Mr. Nixon: Right.

Mr. Foulds: Therefore, following the federal lead, the province is repealing the act. If I understand that correctly, and that is the logical explanation, we support the bill.

Mr. Breagh: This is the crowning glory, the biggest moment in the history of this Treasurer's life. I am sure he is happy that he has finally repealed this act. If it carries this afternoon, I am sure there will be dancing in the streets in Oshawa.

This is not an accord item, if I may phrase it that way. I do not know how it escaped our attention, but it did. Just to show the Treasurer how fiscally responsible we have become, we intend to support him all the way on this one.

Hon. Mr. Nixon: I appreciate the support for this initiative from the opposition parties. I believe it is going to do a great deal to strengthen the credit rating of the province.

Mr. Eves: Triple-A is back again.

Hon. Mr. Nixon: Every little bit helps. I also appreciate the fact that the members opposite have done the research that has permitted them to contribute to this debate in the same effective way that I am contributing.

Motion agreed to.

Bill ordered for third reading.

Hon. Mr. Nixon: Before I call the next order, there was some suggestion that the opposition parties would prefer not to proceed with Bill 131 at this time. No? Okay.

ASSESSMENT AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 131, An Act to amend the Assessment Act.

Hon. Mr. Nixon: It has been indicated by some members that they would like the committee to look at the provisions of this bill, which deals with three or four changes to the Assessment Act. These have come to my attention as Minister of Revenue from a variety of sources.

The first one in particular would exempt from assessment the amusement rides that are located

in a number of amusement parks around the province. The contention is that this is an imposition that is now seen to be unfair. All three parties have responded to the indications, specifically from Marineland in Niagara Falls, that the exemptions in that case would be in order. At least the bill moves in that direction, and these exemptions are part of the bill. I would appreciate knowing the views of the members, since we may talk about the principle of the bill *per se* but there are three or four specific things in it.

The second thing has to do with the exemption of certain specific institutions of a financial nature that are deemed to be nonprofit; for example, the Ontario Jockey Club, the Toronto Stock Exchange, caisses populaires and credit unions. The last thing we want to do is throw up any special kind of financial barrier that will impede in any way the proper progress of any of these organizations.

There were court findings in recent months that resulted in the exemption of some of these organizations from the payment of business tax. We felt, in the case of the Ontario Jockey Club in particular, that the House might like to have presented to it a bill that would correct what appears to be an anomaly. In the case of the Ontario Jockey Club, I believe the city of Etobicoke would stand to lose a substantial share of its revenue because of the court decision on these nonprofit organizations.

The justification for having a bill that maintains the taxation is that some of these institutions at least, not the Ontario Jockey Club particularly, compete on a business basis with other organizations that pay business tax. For that reason, the amendment is brought in to maintain the business tax rather than allow it to be negated by court action.

17:50

The third item comes from a decision before the courts of an appeal, originally entered by Nabisco Brands Ltd., involving the manufacture of its famous product, shredded wheat. It has large silos that are assessable, as are any other buildings. They are like silos on farms; my own are assessable as a part of the farm building. The Nabisco company went to court on the basis that the silos were an integral part of its manufacturing process and gained an exemption because of that.

The amendment is not some sort of a revenue grab; far from it. It is simply an attempt to see that assessments in the municipalities where these structures are located are not needlessly reduced

in these special circumstances. There has been some strong feeling, and it has been put to me in a number of letters from farm organizations, that there is some thought in this bill that we would impose our assessment or allow municipalities to impose an assessment on structures such as grain storage bins and so on. Most of these are portable and, therefore, not taxable.

If some of the honourable members wanted a committee review of these provisions, we would be glad to have the officials there. I would be the last person to say it would be impossible that the provisions of the bill could not be improved. The officials of the Ministry of Revenue are quite satisfied that we can apply this in a fair and equitable way, simply maintaining the assessment of the municipalities and not using this as any kind of expansion that will put additional pressures on businesses, other than the taxes they have traditionally paid.

I am glad to introduce this. I assure members that comments from all sides will be extremely useful.

Mr. Gregory: I do not have many points on this bill, but I want to put a couple of remarks on record. I would much prefer to carry on with the thrust of the remarks of the member for Yorkview (Mr. Polsinelli) of the other day; they were very interesting. Perhaps I could even broaden the scope and address an amendment to the Assessment Act. I could be excused if we got on to that subject.

The member is lurking under there. He will send the Treasurer a note in a moment, but the Treasurer will not be able to read his writing; anyway, I never could.

It strikes me at first blush that the Treasurer has responded to pressures from certain local councillors who want to expand their tax base.

Hon. Mr. Nixon: Maintain it.

Mr. Gregory: It looks as if they want to expand it. When the Treasurer starts removing exemptions from certain properties and business enterprises, he is including things that traditionally have not been included. To me, that is an expansion of the tax base.

I find it difficult to understand. The main difficulty is when the Treasurer talks about removing an exemption of business tax from a nonprofit corporation and is removing the exemption from certain types of buildings. At the same time, he is not doing anything additional to benefit these people. I find it a little strange.

The Treasurer is eliminating these exemptions, but then he is turning around and putting exemptions on amusement rides. When I was

Minister of Revenue—I know the Treasurer is going to jump in, and before he says it—

Hon. Mr. Nixon: I thought that was the one thing the member was supporting.

Mr. Gregory: Yes, I support that aspect of the bill. I am not making that point.

I find it rather contradictory that at the same time the Treasurer is putting exemptions on amusement rides, he is eliminating exemptions from certain buildings that are necessary in farming co-operatives and that sort of thing. He is taking a slap at the farmer but probably rewarding the city dweller.

Hon. Mr. Nixon: That is the last thing I intended.

Mr. Gregory: I agree. I saw a demonstration of that in the way the Treasurer was resisting the blandishments of the member for Carleton-Grenville. I saw how the Treasurer resisted his suggestion that we increase the tax on tobacco. I knew that would do nothing but hurt the farmer. However, I want to pay credit to the Treasurer, because he did resist that suggestion, which I do not think was a serious suggestion. I imagine that amendment, had it been passed, would have been a confidence motion at any rate; I rather suspect it would have been.

The member should not go away mad.

The farming co-operatives will be particularly hard hit. Co-operatives, as members know, are formed by a group of farmers who act as a central processing and storage facility, and they market the products on behalf of their members. These co-operatives have qualified for an exemption from the business tax in the past, as courts have determined that they are not businesses but rather a farming activity.

The proposed changes will nullify past court decisions and cause the co-operatives to be liable for the business tax. This, of course, is certainly going to be picked up by the farmer. One does not just add these costs and have them disappear. The farmers in the co-operative are going to pick this up, at a time when farming is particularly hard hit, I am told by many people who know something about agriculture—we do not have a great many of these co-operatives in Mississauga East. As a matter of fact, not one farming co-operative in Mississauga East will suffer by this, not one; but some others will, and as a result of this, farmers will suffer.

Hon. Mr. Nixon: The head office of the co-operative is in Mississauga.

Mr. Gregory: Has that been tax-exempt? The Treasurer will find that the deputy minister will tell him it has not been exempt until now.

Hon. Mr. Nixon: No; it is a business.

Mr. Gregory: It is a business, that is right; therefore, it has been taxable. What the Treasurer is talking about now is making all the others that have been exempt taxable. That is my reading of it. If I am not correct, I am sure the Treasurer is going to tell me in his remarks later on.

As I see it, on the one hand he is going to be assessing something that has not been assessed, and he is not going to be assessing something that traditionally has been assessed. I find that conflict a little hard to understand. Why does he take with one hand and give with the other?

They call that tinkering. The Treasurer said he did not tinker. I am going to start calling him Tinker Bell, because there have been several bills lately on which he has done a fine job of tinkering; so from now on it is Tinker Bell.

Miss Stephenson: No, Tinker Bob.

Mr. Gregory: Tinker Bob. I had better caucus this, but I do find that a little disturbing. Again, I am not a farmer, but I find that he is not being consistent. He tries to improve the act in one way, for amusement rides, and at the same time he is going to be doing something that, to my nonagricultural mind, is going to penalize the farmers, who are in a difficult state now.

I look forward to the Treasurer's response to this, which probably is not going to come today, but I will look forward to it.

On motion by Mr. Gregory, the debate was adjourned.

Mr. McClellan: Mr. Speaker, on a point of order: Unfortunately, I was out of the House. Can you let me know whether I am correct in understanding that we completed three revenue bills in the short space of this afternoon? Second, were any of these bills sent to committee of the whole House, or did they all go directly to third reading?

Hon. Mr. Nixon: If I may I speak to the point of order, it was not bad today, but it was not very good on Thursday.

The House adjourned at 6 p.m.

APPENDIX

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

CABINET MEETINGS

215. Mr. Rowe: Would the Premier provide the cost of having the regular weekly cabinet meeting moved to Timmins? Please provide a list of all who attended the cabinet meeting, ministers and staff, and the costs involved for meals, local travel costs and accommodation. By what mode of transportation did each minister and staff arrive in Timmins? Please provide as well a summary of the complete cost of all additional expenses related to the trips taken by ministers and others before and after the cabinet meeting, specify what type of aircraft was used and provide detailed itineraries for those trips, including any Liberal Party events. [Tabled January 29, 1986]

See sessional paper 195.

MINISTRY HIRING

290. Mr. McLean: Would the Minister of Government Services provide the number of individuals hired specifically as Queen's Park switchboard operator, Hansard clerk, Queen's Park or government messenger; the number of individuals hired by the ministry, including position, salary, date of hire and date of position commencement, since January 17, 1986? [Tabled May 22, 1986]

See sessional paper 196.

PENSION FUNDS

335. Mr. McClellan: Would the Minister of Financial Institutions provide the following information: for each of the years 1980-81, 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86, the number of companies that applied to the Pension Commission of Ontario for a reduction of current-year pension plan contributions other-

wise due, on the basis of so-called surplus funds in their pension plan; and on the same basis, will the minister indicate the number of companies that received such approval and the dollar values of the reductions that resulted? [Tabled June 26, 1986]

Hon. Mr. Kwinter: Regulation 746, subsection 2(15), provides: "Where the report of a person authorized by section 8 discloses a gain under the plan, the amount of the gain may be applied to reduce any future payments for current service, or subject to subsection (7) to reduce the outstanding balance of any initial unfunded liability or experience deficiency."

The company is required to have an actuarial report prepared and submitted to the commission at least once in every three-year period. If that report indicates that the plan is in surplus, then the employer may apply that surplus against the required current service cost without application to the commission. Once surplus is depleted, the company is required to commence submitting the current service contributions to the pension fund.

Since these elections to apply the gains or surplus declared in the report against their current service contributions do not required application to the pension commission, records detailing these transactions are not maintained by the commission.

MINISTER'S TRIPS

377. Mr. Brandt: Would the acting Minister of Northern Development and Mines provide an enumeration of all trips taken outside Ontario by the former minister, to what locations with what persons, for what purpose and at what cost? [Tabled July 8, 1986]

Hon. Mr. Peterson: The answer is as follows:

Enumeration of all trips outside Ontario by Hon. Rene Fontaine

Date	From/to	Purpose	On board with minister	Costs
Sept. 16 & 17/85	Toronto-Charlottetown, PEI-Toronto	Mines Ministers' Conference	J. Finlay, Ex. Coordinator, Mineral Group; B. Stevenson, Dir., Strategic Planning Secretariat	\$ 455.60 Air travel 74.80 Accommodation 25.00 Limousine
Feb. 13/86	Toronto-Montreal, PQ-Toronto	Attend Breakfast meeting of Canadian Lumberman's Association	Self	\$ 268.15 Air travel
May 9/86	Toronto-Val d'Or, PQ-Parry Sound- [Toronto]	Meet Hon. R. Savoie, PQ Minister of Mines; Address Luncheon of "Assoc. des Prospecteurs Miniers du Québec". (Address Annual Meeting of Federation of Northern Ont. Municipalities in Parry Sound)	G. Héroux, EA, D. Archam- bault, Sec. to Minister, + 1 passenger (Paul Martin)	\$1,115.00 King Air
June 6, 7 & 8/86	Toronto-Halifax, NS-Toronto	Meet Hon. J. Matheson, NS Mines Minister; by car to Stellarton, Nova Scotia to address a conference; return to Halifax by car	G. Héroux, EA	\$ 485.10 Air Travel (each) 209.91 Accom. & Meals, Halifax 109.49 Car rental 151.00 Accom. & Meals Stellarton (RF) 37.00 Meal, return trip to Halifax 67.10 Meals (GH)

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Ashe, G. L. (Durham West PC)
Bernier, L. (Kenora PC)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Bryden, M. H. (Beaches-Woodbine NDP)
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Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Curling, Hon. A., Minister of Housing (Scarborough North L)
Dean, G. H. (Wentworth PC)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
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Harris, M. D. (Nipissing PC)
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Laughren, F. (Nickel Belt NDP)
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Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics, Minister of Revenue and acting Chairman of the Management Board of Cabinet (Brant-Oxford-Norfolk L)
Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines (London Centre L)
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Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)
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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, October 28, 1986

The House met at 1:30 p.m.

Prayers.

GREEK NATIONAL DAY

Hon. Mr. Ruprecht: I would like to bring to the attention of the House a matter of public concern.

Mr. Speaker: I wonder whether the minister is making a statement. If so, could I have unanimous consent from the members of the House?

Agreed to.

Hon. Mr. Ruprecht: On behalf of the government of Ontario and on behalf of the Premier (Mr. Peterson) and my colleagues, we would like to recognize Greek National Day. On this very day each year the Greek community remembers the bravery and heroism of Greek soldiers and, at the same time, mourns those who gave their lives on behalf of their native land during the Second World War.

Memorial services and wreath-placing ceremonies are held across the province to commemorate this solemn occasion. These observances ensure that future generations will remember the sacrifices of their forbears. On this day we are especially mindful of the important contribution the Ontario Greek community, which numbers approximately 86,000 people, has made to our province.

I, therefore, invite all members of the Legislature to join me in remembering Greek National Day.

Mr. Davis: We in the Progressive Conservative Party would like to join with the government in acknowledging this special day within the Greek community, this day that is known as Ochi Day, October 28, on which the Greek people remember their soldiers who died in the Second World War.

It was on October 28, 1940, that Greece was forced into war by an Italian invasion from Albania. The Greek army, under General Alexandros Papagos, was successful at driving back the invaders until April 1941, when the Germans also invaded Greece and the country was overrun. The occupation of Greece lasted until October 1944 and was marked by tremendous

suffering and great heroism in the face of adversity on the part of the Greek people.

Today we join with the Greek people in this solemn remembrance of those who lost their lives during the Second World War.

Mr. Rae: Today we commemorate, as we do every year, the heroism of the Greek resistance on the day when the Greek people said, "Ochi"—no—to the forces of fascism that invaded them. It is a historic day in Greece, a day that brings together the population. It is also a historic day in Toronto, because there are many Canadians of Greek descent who commemorate and celebrate this day as well.

In fact, many members of the Legislature of all parties were united as we marched on the Danforth on Saturday in commemoration of this day. It is interesting that in the eight years I have been in elected office this year's parade was the largest and perhaps the best attended, an indication, I think, of the sense from generation to generation that the idea of resistance is one which touches even younger people and brings them all together as they commemorate the resistance with their parents and their grandparents.

It is also a time when Canadians of Greek descent think about the issue of Cyprus, because today the question of the occupation of Cyprus and the condition of refugees in Cyprus is one that continues to dominate the consciousness of Greek people everywhere. It is certainly one that touches me, since I have been able on two occasions to visit Cyprus. I visited the Canadian troops there as well as the refugee camps in the southern part of Cyprus and the occupied north.

Together with many people of Greek descent around the world descent, we say together:

[Remarks in Greek].

13:37

MEMBERS' STATEMENTS

SCHOOL VISIT BY SOVIETS

Mr. Shymko: I am deeply disturbed that exclusive preferential treatment is given by the Toronto Board of Education and the principal of Humberside Collegiate Institute to propagandists from a totalitarian police state by comparison to Canadian politicians such as myself. Someone

such as myself, or for that matter anyone from another party, is allowed to address the students of Humber College only during election debates. Even if I were to address a public issue, other political parties would have to be represented.

I defend this approach because it defines our freedom of speech on the basis of democracy, objectivity and the search for truth by looking at all sides of the issue. This is why I am truly disturbed and shocked that our educators and public trustees have violated free speech by allowing the delegation from Volgograd to speak to our students and not to be bound by this democratic tradition. They have given an exclusive forum to a one-sided propaganda blitz expounding only the Soviet view on the noble and universal cause of peace and disarmament, while the views of our government or our allies are not represented.

I wonder whether our board would apply the same principle to a representative of South Africa talking about domestic and international peace. Probably not. I see no difference between racial apartheid and Soviet political and socioeconomic apartheid. How tragic that those who stand up in defence of democracy, free speech, economic freedom and objectivity are labelled as enemies of free speech.

VOLUNTARY BOARDS

Mr. R. F. Johnston: Recently, a number of events in Ottawa around the role of the local voluntary board have raised a question about the role of those voluntary boards, whether the children's aid society, the Robert Smart Centre or, in this case, the Ottawa and District Association for the Mentally Retarded. This case is probably the most disturbing of all in terms of conflict of interest of board members. I ask the minister to listen to what I am saying and to intervene in what is happening there.

Recently, the executive director was replaced on the recommendation of the planning committee and the board of directors. The chairman of that planning committee, a vice-president of the board of directors, has now been appointed the executive director of that agency.

To my mind, this is unthinkable. This has taken place without any public review. It blurs the role of the board and the role of staff and is throwing into question the good name of that agency in the city of Ottawa. I suggest that this is a time when the minister should intervene and should request that there be a full and open competition. Maybe it is time that we in Ontario

start to redefine the role of private voluntary boards to make them accountable and to be very sure of what their role is in the management of those agencies.

SENIOR CITIZENS' HOUSING

Mr. Villeneuve: I wish to raise a subject of increasing urgency, which concerns senior citizens in rural parts of our province. First, there is a growing shortage of municipal nonprofit housing for seniors in rural Ontario. In my own riding, for instance, we have identified a need for seniors' nonprofit housing in three areas: Lancaster, Chesterville and Crysler.

Lancaster was given support to create Lancaster and District Non-Profit Housing Inc. and had even received unofficial assurance that funding would flow. They have now been told there are no funds. The village of Chesterville has also been turned down. The village of Crysler is still awaiting a final reply, while the number of seniors who could utilize these facilities grows.

To make matters worse, the core needs criteria, which seniors must meet to obtain access to 40 per cent of their spaces, ignore the plight of many seniors. These elderly people own their own modest homes but can no longer maintain them; yet the fact that they have assets prevents them from having access to these units.

The Minister of Housing (Mr. Curling) has been totally unsympathetic. In fact, he has said in writing that in the future seniors across Ontario will receive a smaller portion of municipal nonprofit allocation. Will seniors have to hire Liberal hacks to lobby on their behalf, as seems to be the case in other areas touching this government?

INSURANCE RATES

Mr. Swart: Twice recently, including yesterday, the Minister of Financial Institutions (Mr. Kwinter) has tabled in this House his comparative figures on auto insurance rates between the public plans in the west and insurance available in Ontario. The figures he tabled purport to show that rates are lower in Ontario than in Manitoba.

Two things should be noted. First, the minister was fed these figures by the private insurance industry, hardly a neutral source. Second, the minister is careful never to state that these figures are representative and that insurance rates are generally lower in Ontario.

Even John Lyndon, the president of the Insurance Bureau of Canada, gave figures in last Saturday's Toronto Star that showed British Columbia rates 14 per cent lower than Ontario's.

Of course, BC has the most accidents and the highest rates of any of the public plans in the western provinces.

Let us look at neutral surveys. The *Globe and Mail* on January 2, 1985, reported rates on average 50 per cent higher for adult drivers in Ontario than in Manitoba. The *Canadian Press* on January 9, 1986 reported Ontario adult rates 14 per cent higher than those in BC, 70 per cent higher than those in Saskatchewan and 100 per cent higher than those in Manitoba.

Yesterday I quoted the 1978 Woods Gordon report in depth on the comparison of the Ontario private system versus the public plans in the west. This report showed that, for an equal payout in claims, the western motorist paid 20 cents less per premium dollar.

The minister said he found it strange that I would give him that figure, which is eight years old. That is his fault, not mine. He has an obligation to update the figures.

FLOODING

Mr. D. W. Smith: I bring to the attention of this House a meeting I was able to attend last Sunday of the St. Clair River and Lake Huron Coalition. About 200 people attended this meeting. They are very concerned about the high water level in the Great Lakes and about the facts that were brought out that a tremendous number of miles of shoreline and assessment along this shoreline are in the jeopardy from the high waters and from the wave action from these high waters.

I hope the members of this Legislature, and especially this government, can help in some small way the people who are concerned about their property along the shoreline. The one thing that came out during the meeting is that they are not asking for a lot of grant dollars. They are asking possibly for loans and for time to help pay for groynes or sea walls along the shoreline.

In bringing this to the attention of the House, I hope this government and the members of this Legislature will help these people along our shorelines.

CZECHOSLOVAKIAN INDEPENDENCE

Mr. Shymko: Notwithstanding the astuteness of the Minister without Portfolio responsible for citizenship and culture (Mr. Ruprecht), there is another anniversary that is celebrated today. I want to remind the members that today marks the anniversary of Czechoslovakian independence.

It was on October 28, 1918, after a century of tremendous effort by the Czech and Slovak people, that a free and independent Czechoslo-

vak state came into being under the leadership of the famous Jan Masaryk. The new independent republic became a model for democracy in central Europe.

As members know, at the onset of the Second World War, in 1938, the first democratic republic came to an end because of the Nazi occupation. It was later reinstated for three years until 1948, when a Communist coup d'état occurred and Czechoslovakia again became a Soviet satellite. Even in the spring of 1968, glimmers of freedom were crushed by a Soviet invasion.

These events led to an exodus of refugees seeking new life and freedom in the west. A great number of these refugees came to Ontario to establish their homes and to integrate into our Canadian society. The last census indicated that 33,000 people of Czech and Slovak origin live in Ontario.

Today we all join in solemn remembrance of a republic that in its brief existence developed into a showpiece for democracy in central Europe for the rest of the world.

ALGOMA CENTRAL RAILWAY

Mr. Morin-Strom: Last Friday the Algoma Steel Corp. and the Algoma Central Railway announced that the federal and provincial governments had given a commitment to participate in subsidizing freight rates for moving sintered iron ore from Wawa to Sault Ste. Marie. The issue revolves around a \$5 million, per year difference between what Algoma Steel is offering to pay and the rate the ACR wants to charge. Rather than negotiate the difference, the two companies are looking to the public purse for a handout for an indefinite period.

The fundamental issue here is whether the Algoma Central Railway is a viable rail line that can continue to make a profit in the long run. We do not need a short-term solution to this problem. If the railway is a viable enterprise, why should the taxpayer subsidize its operation? If the railway is not viable, the Ontario government must guarantee the long-term operation of this essential freight service by having the Ontario Northland Transportation Commission take over the ACR's rail line.

I ask the Premier to consider carefully before he acts on this matter.

13:48

STATEMENTS BY THE MINISTRY AND RESPONSES

RENTAL HOUSING LOAN

Hon. Mr. Curling: Yesterday the member for Brantford (Mr. Gillies) raised a question con-

cerning the proposed convert-to-rent project. It was alleged that the project had been given special treatment by the Ministry of Housing and that it did not meet the program requirements.

Such allegations cannot be treated lightly; so I asked the Deputy Minister of Housing to conduct a thorough investigation. This involved senior ministry staff as well as personnel in the field office who were responsible for processing this particular convert-to-rent application.

This morning my deputy minister reviewed the proposal again. He confirms that it falls within the program guidelines and that no special treatment was accorded to anyone.

For the amplification and clarification of the House, let me walk through the process. The main aim of the convert-to-rent program is to help increase the amount of rental stock and to produce affordable rental housing. In June 1984, the former government decided to revise and expand the regulations to permit demolitions on nonresidential sites.

The key provision of that 1984 policy change stated, and let me quote two appropriate sections of the guidelines:

"Project eligibility expanded to include all conversion of nonresidential structures; demolition of an existing nonresidential building to enable new construction on a nonresidential site."

The honourable member was factually incorrect on at least three occasions in his statement in the House yesterday when he stated that to be eligible for this program, the project must convert existing rental stock.

At this point, I wish to inform the honourable members that three projects based on the demolition criteria have been approved. Two of them, in London and Bourget, were approved by the previous administration.

Let me turn now to the Toronto waterfront project, which has been subjected to such scrutiny. This project, being developed by Huang and Danczkay Ltd., calls for residential and commercial components on Maple Leaf Quay North on Toronto's harbourfront. The former Maple Leaf Mills site we are talking about contained an old office building at the time of the application. The silos were demolished some months before. Again, the member was incorrect.

Two 21-storey towers are planned, and the project will provide Toronto with 502 units of much-needed housing.

The convert-to-rent application was made on January 13, 1986, and the loan request was for

\$3,515,000; \$7,000 per unit for the 502 units. The total capital value of the project at that time was estimated at \$36.6 million, of which \$22.6 million was estimated for the residential component. I am advised by my deputy that the application was treated in a normal fashion. The project has to meet all municipal requirements and building approvals.

To summarize, the proposal clearly meets the criteria of the convert-to-rent program, criteria that were put in place in 1984. Other projects have already been approved and built under the same eligibility requirement, which includes, I repeat, demolition of an existing nonresidential building to enable new rental construction on a nonresidential site. The proposal has been given conditional approval, which means it will not be given final approval until all municipal requirements are met.

Contrary to yesterday's claims, no funds have flowed to the builder, because all municipal requirements have not yet been met.

The member for Brantford also alleged yesterday that the development had been given "special treatment," a claim that disturbs me greatly. I am assured that the application was handled in the normal way. The normal process of application review has taken longer than usual because of the size and complexity of the proposed project.

If the member for Brantford has any evidence or any facts that indicate there was any undue pressure brought to bear on the public servants involved in processing this application, I suggest that he bring them forward now. The member should know that such actions would constitute a criminal act. If he has any information to support his allegations, I request him to bring the information forward at this time. If he does not, he should retract his allegations.

Mr. Gillies: Even from the Minister of Housing I have seldom heard such a nonsensical statement as the one he made in this House this afternoon. Once again, I will walk the minister through the rather unusual approval of this project.

The minister maintains that the convert-to-rent program was set up by the previous government, and in that he is quite correct. This project, which is the construction of apartment towers on vacant land previously owned by Metropolitan Toronto on the waterfront, was by his definition a conversion. The minister would have us believe these buildings are being built adjacent to, on top of or around silos that were demolished in October 1983, before the program was even announced.

I am sure the minister is familiar with the criteria listed for his own program. In the event that the minister is not familiar with these criteria, I will go through them for him. They are what members' constituents and mine would be subject to if they wanted to qualify for this program. Members should check the following to see whether their concept might qualify for interest-free loans that help to create new rental apartments.

"Converting nonresidential property into rental housing," such as "empty school or office, warehouse, factory, space over retail store." No mention of vacant land previously occupied by grain silos. Let us try again.

"New rental construction connected to nonresidential buildings." I do not believe the apartment towers are connected to the grain silos.

"Converting part of single-family homes into rental apartments." I invite the minister to show me the string of waterfront bungalows that are being built upon by Huang and Danczkay.

"Creation of hostel-type accommodation from nonresidential space." At \$700 to \$1,100 per unit, I do not think we will see many people in search of hostel space living in the Huang and Danczkay apartments....

"Making better use of residential sites/properties by converting space not used for housing—such as storage, garage and utility areas." This is clearly not the case."

The minister maintains that the thrust of this program is to create affordable housing, an aim that every member in this House shares and I support. This project will put on the market some apartment suites renting for between \$700 and \$1,100 a month. I am sure, even by the minister's definition, this is not low-income or affordable housing for people of modest means.

The minister has failed to convince me and, I assume, most members of this House that the approval for this project was in any way within the criteria I have just listed or in any way normal.

I have been on the phone this morning to officials at Toronto city hall, and I am willing to quote Alderman Dale Martin—politics makes strange bedfellows on occasion—who says it is the conviction of many people in the know about this project at city hall in Toronto that there is no way this project would have been approved without pressure from Queen's Park.

The intervention of Mr. Fleischmann as the consultant, a man who is known to have connections and to pull strings with the Liberal

Party and the government of this province, was instrumental in the approval of this project.

The only conversion we are seeing here is the conversion of public money into private gain. I invite the minister to call back the \$3.5-million loan.

Mr. Reville: I too would like to respond to the statement by the Minister of Housing. His statement shows us very well the grotesque mockery of the government's convert-to-rent program. It does not produce affordable housing; it produces enormous profits for the private sector.

The influence of Mr. Fleischmann seems to extend to the friends of my colleagues to my right, because Mr. Fleischmann was able to get the federal government to practically give Huang and Danczkay the land on which their project will sit. This sounds even more like the funnelling of public funds into the private sector.

Let us be clear as to what kind of a giveaway this has been. Let us also be clear that this Minister of Housing has been fully informed of the tortured path this development has followed. The very same Alderman Dale Martin, who was mentioned by my colleague the member for Brantford, corresponded with the minister on a number of occasions throughout the summer to try to determine why the provincial government was not in the least interested that this project was being built without a building permit, in defiance of the advice of the chief building official of the city of Toronto, or that the chief planner of the city of Toronto said this project did not qualify as assisted housing in any sense.

All these rents could be obtained if a developer were prepared to build without one dime of public money. Yet this government is prepared to put in a \$3.5-million loan, which will cost Ontario taxpayers \$5.1 million over the life of the loan. It is also prepared to pre-authorize rent supplements on these gigantic rents so that in a rent-geared-to-income program, a unit that rents for \$1,000 a month will bear an actual rent of \$200 a month, thus generating a whopping, wasteful, inefficient subsidy of between \$7,000 and \$10,000 per year per affordable unit.

That is a shocking waste of resources in the midst of an affordable-housing crisis. It is particularly absurd to imagine that a site as choice and as juicy as the harbourfront site would need a jolt of stimulation from the government. People are lining up to build property on those sites.

This is a shocking indictment of the government's true intentions in terms of its housing

stimulation program. It is not interested in affordable housing; it is interested only in generating outrageous profits for the development industry.

VOLUNTEER SERVICE AWARDS

Hon. Ms. Munro: It gives me great pleasure to rise today to announce November 30 and December 15 as the nomination deadlines for the 1987 Outstanding Achievement and Volunteer Service Awards. Volunteers are the lifeblood of Ontario's cultural and multicultural communities. These awards are held to honour the many hardworking individuals and organizations that have made major contributions to volunteerism in citizenship and cultural activities relating to my ministry.

Outstanding Achievement Awards are given to individuals, nonprofit organizations and businesses that have achieved unprecedented accomplishments for volunteerism in their communities. Fifteen Outstanding Achievement Awards will be presented at a special ceremony in Toronto on February 13.

This is only one of the steps my ministry is taking in recognizing the vital service of Ontario's volunteers. I would also like to remind the House that nominations for Volunteer Service Awards are being accepted until December 15. These awards are presented to volunteers who have donated their time and energy for five, 10 and 15 years of service. Nonprofit organizations may nominate up to a maximum of six individuals each year. Lapel pins and personalized certificates signifying the various categories of services will be presented to individuals in ceremonies across the province during the spring of 1987.

Volunteer recognition for both awards must relate to the mandate of my ministry, which is far-reaching and which includes the arts, heritage conservation, public libraries, community information centres, newcomer services, multicultural activities, citizenship activities and programs by and for native people. Information and forms may be obtained by contacting the volunteer awards program of my ministry. We welcome all such recognition.

Mr. Allen: I join the Minister of Citizenship and Culture in expressing the desire of the members of our party to honour those distinguished volunteers in our communities who provide such excellent service in a whole range of arts organizations. If we have one reservation with respect to the volunteer recognition program, it is that sometimes the funding of

museums, art galleries and performing arts organizations makes it necessary to rely on volunteers when, for example, students who are graduating from art programs and so on may well find places in some of those organizations.

With respect to those volunteers who have given years of service in those organizations to make certain that they have appropriate community rapport and that their financial, publicity and subscription campaigns are successful, we wish to express our great appreciation of the efforts they make. We ask only that the minister, who usually accords our members recognition on these occasions, will see that members on all sides of the House, from all regions and in constituencies of the province, share in that recognition.

14:06

ORAL QUESTIONS

RESIDENTIAL RENT REGULATION LEGISLATION

Mr. Grossman: I have a question for the Minister of Housing. I have sent over to him a list of figures; so he will have a fair chance to confirm or deny what I have to ask him.

With regard to Bill 51, I suggest to the minister that if he were a tenant living in a two-bedroom apartment renting for \$500 in a building built before 1975, which had been recently sold to a new landlord and which had annual rent increases due, some new capital improvements and a rent differential—not an unusual or difficult-to-imagine circumstance—under Bill 51 rents could go up by \$111 or 22.25 per cent. Can the minister confirm that a 22.25 per cent increase is quite possible under Bill 51?

Hon. Mr. Curling: If the Leader of the Opposition wants me to confirm his mathematical calculations, I cannot confirm his mathematical calculations. He just passed this over to me. I will take a look at it and get back to him if his calculations are right.

Mr. Grossman: I suggest either the calculations on the sheet of paper I sent to the minister are fair and in accordance with Bill 51, for which he has been responsible for several months, or they are not. Let us look at a two-bedroom apartment renting for \$800 in a building built after 1975. There is a new landlord, an annual increase is due and there are capital improvements, an economic loss to the landlord and a rent differential.

Can the minister dispute any of the following, that the estimated guideline rate would be a 5.25

per cent increase, that financing costs could be five per cent, that capital improvements could be five per cent, that economic loss could be another five per cent and that equalization could be another five per cent, for a 25.25 per cent increase?

Can the minister specifically state that any of the allowable five per cent increases I have laid out are not permitted under Bill 51, and can he confirm that, since they are permitted under Bill 51, a 25 per cent increase is possible?

Hon. Mr. Curling: Again the Leader of the Opposition has asked a very general question. If he has a specific case, we can look at it from that point of view. It is a very general question. If he is asking whether these things are considered under Bill 51, they are all considered under Bill 51.

Mr. Grossman: It is our belief that under the minister's legislation, many tenants could be facing a 22 to 25 per cent rent increase. In order for him to assure the tenants that this is not possible, I invite him this afternoon to tell the House whether it is right or wrong to say that financing costs could increase by five per cent; capital improvements could increase the rent by five per cent; an adjustment for chronically depressed rents could be two per cent; equalization payment could be five per cent; and the guideline rate could be 5.25 per cent, for a total of 22.25 per cent in the first example.

Which of those are not included or permitted by the legislation? If he cannot indicate it, can he confirm that rents could go up by 22 per cent?

14:10

Hon. Mr. Curling: As I said to the honourable Leader of the Opposition, all these are considered under Bill 51.

Mr. Davis: Even your own minister says they will go up by 20 per cent, and he knows it. He gave the example.

Hon. Mr. Scott: It is not the member's turn. His leader is up. He should wait his turn.

Mr. Grossman: The Attorney General (Mr. Scott) is telling other people? He is used to telling the other ministers in his cabinet about it not being their turn; it is always his.

Mr. Speaker: Order.

Mr. Grossman: The Attorney General can run only one party at a time, and I wonder about that sometimes.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: My question is for the Minister of Transportation and Communications.

The minister was asked some time ago to deal with and table the documents and information with regard to the sale of the Urban Transportation Development Corp., which he specifically did not table or announce when the deal was closed. In tabling the documents, he failed to table a very key document, which is the Via Rail side letter.

Can he explain to the House why he has not made public the Via Rail side letter, which is an important part of the closing documents?

Hon. Mr. Fulton: As recently as estimates, in response to a question by my friend the critic, we indicated and brought to that table all the documents we were requested to table. All the documents we were requested to bring were tabled at estimates, as they had been previously.

Mr. Grossman: The minister was asked to table all the closing documents with regard to the sale of UTDC to Lavalin, none of which he has made public. He did not table the Via Rail side letter.

Can he confirm for the House this afternoon that the letter he is covering up, the letter which he will not release to the members of this House or to the public, indicates that the Ontario government has a potential liability of up to \$350 million in the event the Via Rail deal does not go through?

Hon. Mr. Fulton: I will not confirm what the Leader of the Opposition says. I will state that those documents were tabled at the time they were required to be tabled and were resubmitted last week during the estimates process, with the dates clearly stated when they were required.

Mr. Grossman: The minister alleged last spring in a big announcement here that he was going to get up to \$72 million for UTDC. In the second week of September, he closed the deal without the slightest announcement, without saying a word to the public about the ultimate deal that they had fumbled on because they had pre-announced an arrangement before they had struck it. The \$72 million has disappeared. He has now been asked by the Legislature to table the documents and he has specifically covered up the Via Rail side letter, which indicates a potential liability owed by this government because of the mismanagement of this deal, which could come to as much as \$350 million.

Is the minister prepared this afternoon to deny my allegations that the Via Rail side letter, which he is covering up, contains a potential liability of hundreds of millions of dollars in the event that deal does not come through? Will he deny that allegation?

Hon. Mr. Fulton: Like so many of the statements made by the Leader of the Opposition during the entire process relative to UTDC, I never made a statement in this House about the sale and I have never referred to the figure of \$72 million. I am certainly not covering up anything.

NURSING HOMES

Mr. Rae: My question is for the Minister of Health. It is about nursing homes. The minister made the statement last week in reply to a question from me, "The people of the province will be proud of the nursing home operations," I am quoting precisely the words he used last week in the House. His word was "proud." He said, "The people of the province will be proud."

If this is true, can the minister explain why, for the period ending January 31, 1986, in the 331 homes in Ontario, 9,802 violations of the Nursing Homes Act and regulations were cited in reports? Of these, 257 had to do with special diets not being provided when they were ordered; 237 had to do with food services supervisors not being on staff as required by the regulations; 229 had to do with breaches of the requirement that the nursing homes be free from hazards to health and safety with respect to diet; 314 had to do with the requirement that menus be posted and dated; and 213 had to do with frozen fruits being identified and dated. Are these the reasons people should be proud of the nursing home operations in this province?

Hon. Mr. Elston: That clearly indicates we have people who are looking at those situations to identify the problems. We have come to grips with some of the problems that have been identified in those reports. People have submitted and resubmitted compliance plans and a good number of the issues have been cleared up. I do not question at all the figures that have been submitted. They are probably from the material we filed in response to questions in Orders and Notices. I can tell the honourable gentleman that we are desirous of finding breaches of the regulations and working to eliminate them. We will identify and eliminate problems we find in the field.

Mr. Rae: If nearly 10,000 breaches of regulations is not a symptom of a system that is not working, I do not know what is. Specifically with respect to food, the Premier (Mr. Peterson) has defended the amount of food that is being provided in nursing homes and has said that senior citizens eat less than other people, so they can survive on \$2.50, \$2.60 or \$2.70 a day. The minister has also defended the system. Can the

minister explain the fact that in Dr. Crittenden's report she stated very specifically, on page 19, that the highest single source of complaints with respect to nursing homes heard by her committee had to do with food and with meals? They received more complaints about that than anything else.

At the same time, the other document released by the minister, the Woods Gordon report, establishes clearly that there are fewer inspections per home dealing with nutritional problems than for any of the other areas, fire, environmental or whatever it may be. Can the minister explain why they are getting more complaints about bad food than they are about anything else and why there are fewer inspections dealing with food than anything else?

Hon. Mr. Elston: The member knows full well that Dr. Crittenden's report also indicates that some of the concerns that have been expressed have been about the temperature of meals and a number of other items. I have no problem recognizing the situation when, as well, they talk about the time taken to help people eat their meals and attending at various times. We are concerned about this and we hope to deal with these problems in response to the suggestions made by the Woods Gordon report.

One of the suggestions made by the Woods Gordon report, as the members know, is that we make certain changes in the ministry to help us find the areas of violation and address the problems the Crittenden report made very clear and vivid to us. I can tell the member and members of the public that we are working to do that.

One of the prime concerns we have is that the people who now are inspectors also are being looked on as sources of advice. We are working to try to develop for them a consultant's role solely, so that they are not also involved in enforcement. We hope this will help to improve the manner in which our nursing home system functions in this province.

14:20

Mr. D. S. Cooke: A nursing home in Windsor called Beacon Hill Lodge was charged in March 1984 with several charges. One of them dealt with food and not providing snacks and fluids. In its annual report, there were several violations that referred to such things as special diets. Then the nursing home inspection branch was asked to investigate some concerns that specifically related to this nursing home recollecting margarine patties and creamers because it said, and the

minister reported to me, its budget for food was 50 cents per day above the average for residents.

Does the minister think it appropriate that a nursing home recollect margarine patties and creamers to cut back on food? Why was this nursing home not charged, and why did the minister condone it in his recent letter to me?

Hon. Mr. Elston: Offhand, I do not recall the letter I wrote back to the member, but I will review it. I do not recognize the recollecting process. I presume we are talking about collecting patties and creamers from tables, which I will look into and get back to the member. I do not recall the letter. I know the member has written several times about Beacon Hill Lodge. I will get back and advise him of what I meant by my reply.

RENTAL HOUSING LOAN

Mr. Reville: My question is for the Minister of Housing. On December 16, when he was speaking about convert-to-rent, he said, "The program's aim is to help produce moderate-cost rental housing." This afternoon in the House, he said the Huang and Danczkay project falls within the program guidelines.

Will the minister advise the House where in Canada these rents are considered to be moderate cost: \$1,003, \$758, \$1,027, \$999? I am reading from the monthly market rents proposed by Huang and Danczkay. Those rents are now 2.6 per cent below what they would be today. Will the minister please advise how such rents could be low and moderate?

Hon. Mr. Curling: Of the 502 rental units that are being created by the convert-to-rent program, some will be subsidized for affordable rental units.

Mr. Gordon: How many?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Curling: I do not think the members want to have the answers.

In Toronto, as the member knows, the market rents for rental units are pretty high. It is quite common for someone with a family to pay \$700 for a three-bedroom apartment. These "true" or "false" or "fill in the dotted line" questions have to be consistent with what municipality we are talking about. We are looking at Toronto, and \$700 is a rent that is quite amicable.

Mr. Reville: A monthly rent of \$1,108 is a pretty fat dotted line.

On August 12, the minister wrote to Alderman Martin and said, "With respect to your specific concern about provincial convert-to-rent grants

for the Huang and Danczkay project, pleased be advised that the program guidelines require evidence of building permits as a condition of the award." In view of the fact that the project still does not have a building permit, how can the minister account for conditional approval having been granted on April 23 and again, miraculously, on September 29? What is going on in the Ministry of Housing anyway?

Hon. Mr. Curling: I had hoped the statement would have clarified the questions that are being asked now. No money has flown to the developer or the builder as yet. As the honourable member knows, the guideline stipulates that 15 per cent of the consortium has to be in place before any money is passed on to the builder. As well, building permits must be obtained before money flows to the developers. Of course, we are quite aware of that, and my staff have transmitted letters to the developers to warn them of that fact.

Mr. Reville: The minister is making an understatement about money flown. Money is flying around here like crazy.

Will the minister advise the House of the extent of the subsidy per unit that is needed to achieve affordable rents through the rent supplement? How much is this pittance of subsidized housing going to cost the taxpayers of Ontario? I am interested in knowing the amount of deep subsidy per unit through the rent supplement program.

Hon. Mr. Curling: The convert-to-rent program that we have in place is to bring rental units to the market. When we do not build, there is a tremendous amount of criticism. Now that we are building and producing rental stock, we are being criticized.

The criterion stipulates that \$7,000 per unit is given to projects in the convert-to-rent program. That helps with the costs of building, and therefore the rent can be reduced.

Mr. Gillies: Why has the Minister of Housing allowed Huang and Danczkay to construct these units on the waterfront, breaking the Building Code Act by building without a permit? Further, why has he as yet not responded to Alderman Martin's formal request for an investigation under section 27 of the Building Code Act to explain this flagrant violation of the regulations? Why will he not undertake a proper investigation of this matter and inform the House about Mr. Fleischmann's role in this extraordinary granting of public money?

Hon. Mr. Curling: Perhaps the honourable member wants me to run the municipality too. He

realizes that the responsibility for building permits comes under the municipality. They are the ones who issue the building permits.

As I told him, we have already communicated with Huang and Danczkay to say that if they do not obtain the building permit, no financing will be granted to that project.

The member is making some very serious allegations here about interference. If he has any evidence, he should bring it forward and stop speculating. Let him bring it forward and we will deal with it.

Mr. Gillies: We are not speculating and we are not talking about the responsibility of the municipality; we are talking about this minister's responsibility for section 20 of the Building Code Act to ensure that construction is undertaken with building permits.

The building commissioner for Toronto, Michael Nixon, has said: "I know of no other instance in which a developer obtained agreement to allow building without a permit." Are there two laws in this province, one for Ivan Fleischmann and friends of the Liberal Party and one for everyone else? Why will the minister not live up to his responsibility and ensure that the law is adhered to?

Hon. Mr. Curling: Maybe I should say again to the member that the offer to Huang and Danczkay is conditional on their obtaining the building permit. If the developers want to continue their building and do not need the money, that is up to them, because we will not transmit any money to the developer if there are no building permits or if they do not fall within the guidelines of the convert-to-rent program.

14:30

OCCUPATIONAL HEALTH AND SAFETY

Mr. Martel: I have a question for the guardian of the swamp, the Minister of Labour, regarding Domtar. The minister will recall that during estimates in December, I raised the matter of threats against Dr. Chong and Dr. Haines; I did so again in September. The minister is also aware that Domtar threatened the ministry with legal action and to close the operation if the Chong report became public.

The minister should be aware that the company wrote to Dr. Debow of his ministry on November 8, 1985, five days before Dr. Muir even indicated he was doing work on the first study, indicating another study was to be produced. Rather than trying to blame Mr. Erskine of the union and the two doctors, who are trying to clean up this mess, why does the

minister not admit there was collusion between the company and Dr. Muir, that his ministry staff was aware of what was going on and that they are now trying to cover their derrières?

Hon. Mr. Wrye: My honourable friend raises some very serious allegations. This entire incident has been referred to Mr. Laskin as one of the 71 incidents he is looking into. I have had an opportunity in the past couple of days to review fairly thoroughly some of the materials on file in the Ministry of Labour. With all the skill within his legal department and with the people who are working with him, Mr. Laskin has a full opportunity to review all those—

Mr. Rae: He has no power. He cannot cross-examine and he cannot subpoena.

Hon. Mr. Wrye: If the leader of the third party would be quiet for a minute and listen, he might get an answer. Mr. Laskin has been looking at this matter in some detail for a great time. I give the member for Sudbury East and all members of the House my assurance that we will ask Mr. Laskin to look at this matter with the utmost care. I am confident all the documents are available for him to make a reasonable finding. I only ask my friend to wait until Mr. Laskin reports. We hope his report will be out some time around the middle of next month.

Mr. Martel: Laskin does not have the right to subpoena, cross-examine and so on. In addition, since the minister is now aware that Dr. Muir admits he moved without the involvement of the occupational health and safety committee and ignored the internal responsibility system, and since he said earlier he could not side with labour on any of these issues—it is obvious he has sided totally with management—how can this man remain as the vice-chairman of the Industrial Disease Standards Panel?

When is this government going to provide funding for independent worker clinics controlled by workers so they can get the testing done without interference by companies, as is the case in this issue?

Hon. Mr. Wrye: The member raises a number of questions, but he ought to be aware that the joint health and safety committee was consulted at most times in this matter. I agree with the member, and indeed so does Dr. Muir, that Dr. Muir made a very serious error in judgement in speaking at one point—and at one point only—with the company without, as the member so properly points out, dealing with the joint health and safety committee. The member and I are in total agreement on that point.

If the member looks at all the material at his disposal, he will agree with me that the joint health and safety committee has been involved at all points of the process and indeed has signed off on its concerns with the first report from Dr. Chong and the members of the joint health and safety committee.

Mr. Martel: Not so. They did not ask for a report to be rewritten. The minister is misleading. He tells half-truths.

Mr. Speaker: Order.

Mr. Martel: I did not say he lied. I said he tells half-truths. I am being positive. I said he was half right.

Interjections.

Mr. Speaker: I heard it. I was just controlling myself as well.

RENTAL HOUSING LOAN

Mr. Gillies: I would like to ask the Minister of Housing about his responsibility for the Ontario Building Code Act, and I will quote a couple of lines from section 20 of the act:

"Where it appears to the minister that there is or may be a failure in construction or demolition standards or in the enforcement of this act or the building code, the minister may designate a person to conduct an inquiry into such failure."

In September, the minister had a formal request from an alderman of Toronto to investigate the circumstances surrounding the approval of this Huang and Danczkay project. Why has the minister not lived up to his responsibility under section 20 to start such an investigation?

Hon. Mr. Curling: I am quite confident the city of Toronto is able to conduct its business in a very professional way. I have all confidence that it will deal with the matter of the building permit with Huang and Danczkay.

Mr. Gillies: I want the minister to know that we will not stop asking about this project until we have a full and proper investigation.

The minister said in his statement earlier today that this project fitted the criteria, but the silos, which by some wild stretch of the imagination he is suggesting were converted into apartment stock, were torn down more than three years ago. The land on which the buildings will be constructed has been vacant for three years. The approval under the ministry's convert-to-rent program was this year.

How can the minister possibly say this project came within the criteria of the convert-to-rent program? How can he say that? Why cannot any

other developer building new apartment units say to the minister, "I qualify under this program"?

Mr. Grossman: Silogate.

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Curling: I may have to send the member the guidelines. He said he called my office and got instructions. I think he may have heard wrong, because his interpretation is completely off. I read it in my statement here, and I will read it again: "All conversion of nonresidential structures"—

Mr. Gillies: There is no structure there.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Curling: The member suggested in his statement that silos were converted. I want to state for the record that he stated silos were converted; my statement is that those silos had been off that lot for three years.

Mr. Grossman: There were no silos. Exactly. Interjections.

Mr. Speaker: Order. There are other members who would like to ask questions.

Interjections.

Mr. Speaker: Order. I will just wait. New question, the member for Lakeshore.

TRITIUM REMOVAL

Mrs. Grier: I have a question for the Minister of Energy. Last week, I raised with the Minister of the Environment (Mr. Bradley) the need for a public hearing about the transportation of tritium around this province. The Minister of the Environment indicated he was exploring that possibility. Can the Minister of Energy tell the House whether he supports the need for an environmental assessment hearing into the transportation of tritium?

Hon. Mr. Kerrio: First, Ontario Hydro is removing tritium from heavy water to protect the workers at Ontario Hydro; that is the main undertaking. It has transported heavy water from place to place on many occasions, because heavy water, of course, is not always produced on the site of a nuclear plant. During the past years, Ontario Hydro has built the kinds of containers that would enable it to be moved safely. I am sure all the concerns of the honourable member will be taken into account in the movement of heavy water.

14:40

Mrs. Grier: I do not think that was quite what I asked. I wonder whether the minister is aware

that what we are talking about is up to 1,200 truckloads of tritiated water already existing at Bruce and 800 truckloads at Pickering. When the tritium removal facility is completed at Darlington, this material will have to be brought to Darlington.

My question to the minister again is, will he support an environmental assessment before moving that very toxic material through small towns and along highways all across this province?

Hon. Mr. Kerrio: I understand the question exactly as the member posed it. If there is going to be an undertaking of an environmental assessment, she should put that question to the Minister of the Environment. I am in complete concert with him in protecting the people of Ontario in transportation and in any other areas that might have some impact on the public. He certainly has the responsibility, and I have co-operated with him, to this point, 100 per cent.

TARIFFS ON SOFTWOOD LUMBER

Mr. Pierce: My question is to the Minister of Industry, Trade and Technology. I am sure the ministry is aware that the people of northern Ontario are suffering layoffs and are being threatened with further layoffs if this government fails to take action on the softwood lumber issue. The government has done nothing to help the laid-off workers while they wait for the final tariff decisions in December. I am afraid many of these lumber workers and their families in northern Ontario will have a very bleak Christmas this year because of the government's inaction.

What action does the government plan to take to assist the laid-off workers by providing other jobs in northern Ontario while they are waiting for this decision?

Hon. Mr. O'Neil: I believe that on several occasions I have mentioned several of the actions that the government is taking. I should mention in the softwood lumber area that my officials met with the people who came up from the United States on the verification process. We will be meeting with them later this week and putting forward Ontario's case.

Mr. Pierce: I am sure the minister is aware Northern Wood Preservers and Great West Timber will be laying off 100 people by Christmas, Lecours Lumber of Hearst has laid off 35 workers, Martel Lumber of Chapleau has not sold or taken any orders since the announcement and Atikokan Forest Products has laid off 14 workers and announced the layoff of an

additional 14 workers. What is the minister doing for these workers, who are subject to layoffs before Christmas?

Hon. Mr. O'Neil: As I have mentioned in the past, in this area we intend to push the talks as quickly as we can. We do not expect a resolution to that problem until the end of December. It does cause a problem to those people who are laid off, and we are concerned about it.

PAY EQUITY LEGISLATION

Mr. Rae: My question is to the Premier. I know that during the past several months the Premier will have heard his double act, the Minister of Labour (Mr. Wrye) and the Attorney General (Mr. Scott), say that if the bill this government introduced with respect to equal pay were extended beyond the very narrow base of 26,000 workers working directly for the government, it would, according to them, shipwreck the bill, scuttle the bill or skewer the bill. Those were the nicest things they had to say about those amendments.

The Premier will know that those amendments, by the wisdom of the committee, have been ruled within the powers of the committee, and it is clear that those amendments to broaden the bill are going to go forward. I can certainly say on behalf of our party that they are going to go forward.

Can we have the Premier's categorical assurance that he will not use these progressive amendments as an excuse to withdraw the legislation?

Hon. Mr. Peterson: I do not think the honourable member has interpreted the events quite properly. As I understand it, the chairman of that committee, the member for Sarnia (Mr. Brandt), made a ruling with respect to the jurisdiction of his committee and the jurisdiction of the House to amend a particular bill.

My colleague to the left, the government House leader, tells me there is a long-standing tradition in this House, part of parliamentary tradition, that says the opposition does not have the power to widen a bill, particularly where money is at issue. I do not pretend to be an expert on parliamentary procedure, but I respect people such as the government House leader. I believe the chairman of the committee said exactly the same thing. If I am incorrect, I am sure he will correct me, but I believe my facts are right.

This raises the very interesting question of the responsibility of the opposition. In a minority House, the opposition can do virtually anything it wants. In my opinion, we have seen many abuses

of this power in the past little while. If the honourable member expects minority government to work, he has to respect the traditions of this great parliament. When the opposition violates the traditions of this parliament, I cannot make any predictions about what will happen. My friend has to show responsibility.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Scott: On a point of order, Mr. Speaker: Do the representatives of the Conservative Party recognize that the people of Ontario are watching this?

Interjections.

Mr. Speaker: Order. For the last time, order. I remind the members they have wasted another three minutes of their time.

Mr. Rae: I seem to have struck some chord or nerve or some sort of problem with the Premier. I am interested in all the heckling I am getting from the other side. I would have thought they would have wanted to hear what the supplementary was.

I did not hear an answer from the Premier to my question. I heard a fine rhetorical speech that ignored all the precedents that were established between 1975 and 1981, when we had minority government for six years and the House and committees were given the ability to amend and change legislation.

Mr. Speaker: Order. That was a good 40-second windup to the question. Will you please place your supplementary?

Mr. Rae: It was a very good 40 seconds.

I want to repeat the question and try to get an indication, with no rhetoric about how unhappy the Premier is, of whether he is prepared to continue in good faith to try to find a piece of legislation that the whole House can agree on—I believe we can find it—with regard to this bill as well as with regard to Bill 51; or is he going to use the exaggerated rhetoric he appears to have lapsed into, shared by the Attorney General and the Minister of Labour, using such adjectives and verbs as “shipwreck,” “scuttle” and “skewer”? Is the Premier prepared to continue in good faith with a sensible discussion of legislation, with all the members of the House participating in a democratic fashion?

Hon. Mr. Peterson: My honourable friend recalls precedents between 1975 and 1981. I do not recall that he was here in those circumstances. If he was here, nobody noticed. I was here. My honourable friend to the left, I think the member will agree with me, as the dean of this

House is the most respected member of this House in terms of parliamentary precedent and authority.

14:50

I went through those minority times and I remember them very well. Indeed, there was a minority situation when I came into the House. I believe the opposition parties respected the rules as they existed in the Legislature at that time. I assume this ruling is troubling to my friend the member for Sarnia, who I believe has used his best judgement and presumably got advice in the circumstances. The House leader also has been troubled by this precedent and he has sought advice on the matter as well, but it points out a situation where the opposition parties in a minority House can gang together and do anything they want, whether it is within the confines of parliamentary precedent or whether it is legal or not.

In my view, it requires a degree of responsibility that sometimes is not shown in the House. I recognize we have to be responsive to all parties and we try to be so. At the same time, however, the other parties have to respect our responsibility in these matters as well.

We have heard assurances from the Attorney General that he is introducing another bill with respect to equal pay that will deal with these questions. It is being done in an orderly and thoughtful way. The whole plan was shared with the members before. I do not understand the recent conversion to equal pay by members of the official opposition. It smacks of hypocrisy.

Interjections.

Mr. Speaker: Order.

Mr. Andrewes: I will try not to be provocative, Mr. Speaker.

Mr. Speaker: It would be most helpful.

DRUG BENEFIT FORMULARY

Mr. Andrewes: My question is to the Minister of Health. On two occasions over the past 13 months, he has publicly committed himself to a new Ontario Drug Benefit Formulary. He is aware that his failure to meet these commitments means not only that pharmacists are not able to recoup their costs for drugs they dispense, but also that taxpayers and consumers are now paying for that foot-dragging.

I want to offer the minister this example. A pharmacy in Jacksons Point, which is not a large community, estimates that on five drug products it dispenses that are now available in generic form but not in the drug formulary the ODB

program is losing \$229 a month. The Ontario Pharmacists' Association, using the Ministry of Health's figures, estimates that on 13 commonly used drugs available but not listed in the generic form, the taxpayers and consumers are now paying close to \$13 million a year.

Is the minister going to publish a new formulary?

Hon. Mr. Elston: Yes. We are working on the new formulary and we have indicated by correspondence to the pharmacists that we are working as well on the proclamation of Bills 54 and 55 on November 15.

It is not always easy to find the accurate information with respect to drug prices under our current situation so that we can print the formulary without Bills 54 and 55. However, we believe that with some of the authority now residing in those two bills it will allow us to get accurate information so that we can print a formulary under the best available price formula that the committee developed in its deliberations.

Mr. Andrewes: I remind the minister that his correspondence with the pharmacists is looked at with a jaundiced eye after his commitments over the past year.

I remind the minister also that his failure to act on this issue is causing some severe human suffering. The doctor of a terminal cancer patient in Mississauga, who has a severe drug reaction to an ODB-listed narcotic, has tried for days to get a special authorization number for a different drug, but he is confronted continually with a busy signal on the telephone line. The patient cannot afford the \$190. Does the Minister of Health not think he has some obligation to patients who find themselves in this kind predicament?

Hon. Mr. Elston: With respect to the special authorization program, I understand those phone lines are busy. I would like to receive the information from the honourable member directly so that I could help make some progress with respect to that patient. We have been working very hard on the information we felt would be needed to put out a new formulary. We found that was not possible under the circumstances. We convened meetings between ourselves and the association and between members of my ministry staff and representatives from various manufacturers and we could not come up with realistic prices to be printed in a formulary without Bill 54 and Bill 55, as they were passed, being proclaimed.

We will do that and we are looking forward to the printing of that new formulary. We will be looking at listing those products the honourable

gentleman suggests must be listed in the Ontario drug benefit formulary.

ALGOMA CENTRAL RAILWAY

Mr. Wildman: I have a question of the Premier regarding the joint release last Friday of the Algoma Central Railway and the Algoma Steel Corp. in Sault Ste. Marie, which stated the provincial and federal governments have agreed to subsidize ACR freight rates. Can the Premier confirm the substance of the release, that governments intend to subsidize if the ACR employees agree to wage and benefit concessions? Can he inform the House how much of the estimated \$5-million cost will come from provincial coffers in the first year and how many years the proposed subsidization of these private companies by the taxpayers is expected to last?

Hon. Mr. Peterson: I am not aware of the release the member mentions, but I am very much aware of the discussions that were going on with Algoma and the ACR as well. The member will be as familiar as any member of the House with the problems the railroad and the steel company have had in the past little while. He will know that one of the competitive problems is the price of the haul from Wawa to Sault Ste. Marie. He will be aware that one of the problems with Algoma Central Railway is that it does not have a large load base over which to apportion its overheads. It has to put a substantial amount of those costs on that particular run.

He will also be aware that the transportation cost of bringing iron ore from the mine the company owns in Michigan is substantially less than the haul from Wawa to Sault Ste. Marie, and everyone is searching for solutions to that problem. Like the federal government, the union and the company, we do not want to see Sault Ste. Marie take any more hits in this situation, so there are discussions going on. To the best of my knowledge, nothing is finalized. I am not aware of any agreements that have been signed. I know discussions are ongoing. We are searching for a permanent solution in the long term.

Mr. Morin-Strom: We know the Deputy Minister of Northern Development and Mines has been involved in these discussions on behalf of the provincial government. One of the fundamental issues surely has to be whether or not the rail line is a viable private enterprise. If it is a viable enterprise that can make a profit in the long run, why should the taxpayers of the province be subsidizing the operation? On the other hand, if it is not a viable enterprise, does not the Premier think the best solution would be

to have Ontario Northland Transportation Commission take over the operation to ensure that we have this essential freight service available in our area, the district of Algoma, on a long-term basis?

Hon. Mr. Peterson: I am not trying to be unkind, but frankly, that socialist logic does not ring with me. The member is saying it is losing money and, therefore, we should take it over.

Mr. McClellan: That is not what he said.

Mr. Wildman: I said if it is a viable operation, why subsidize it?

Hon. Mr. Peterson: That is exactly what my honourable friend, the former economist with Algoma, is telling me. Algoma is lucky he is here and not running the plant right now. That is his logic. He is saying it is losing money; therefore, the government should take over the rail line.

We are searching for a solution to this problem. I am not interested in taking over any more companies, particularly ones that are losing. We are in a situation—

15:00

Mr. Wildman: If they were losing the feds would subsidize them.

Hon. Mr. Peterson: Let me tell the member that there are competitive problems. The worry is that if there are any more problems with Algoma the railroad could be affected by them and that could have disastrous consequences in northern Ontario. We are looking at all the alternatives to stabilize the situation, both short-term and long-term. As I said to my honourable friend, there is not an answer to that question today. Discussions are ongoing.

I am sure it is one of the issues we will be discussing next week in the Sault when we are there, and I hope my honourable friend is there to give an assist to that discussion. I am sure he would not want to see any more problems created in the Sault, particularly if we are in a position to assist, and we are exploring all options in order to do so.

INTEGRATED HOMEMAKER PROGRAM

Mr. Cousens: I have a question for the Minister of Community and Social Services. It has to do with the homemaker program, one of the most important programs we have in our province to help people stay in their own homes longer, to help the frail, the elderly and the sick. It is an important service, but there is a funding problem.

What action is that ministry taking to fund the services of homemakers, especially those pro-

vided by voluntary nonprofit organizations? What is the minister doing about the funding problem they have right now?

Hon. Mr. Sweeney: I have met with the Visiting Homemakers Association across the province and I have met with the provincial association for the Red Cross. They have indicated to me the specific problems they have. They raised, for example, the issue of the increased premiums for workers' compensation and the increased minimum wage base, which affects all wages above it.

I have indicated that in both of those situations I am prepared to request additional assistance from our own resources and I am also prepared to request that municipalities share the cost of those increases with us.

Mr. Cousens: The action is required sooner than later. There is a razzle-dazzle of announcements coming from the ministry, but what is happening is that we are paying for the social programs on the backs of underpaid homemakers who are doing the heavy burden of the job. We are seeing people in our province paid less than \$90 a week for 20 hours work. We are seeing 30 of some 47 different branches of the Red Cross society facing a deficit. How soon can the minister begin to put money out there where it is going to begin to count and where it will help those services to continue?

Hon. Mr. Sweeney: The concerns the honourable member raises are not the same all across the province. There are some places where the rate is in the \$9 range and other places where the rate is in the \$5 range. Our attention has to be put in those areas where the need is the greatest. That is why we told both the Ontario association and the Red Cross that we would work with them and with municipalities where the problem is the greatest.

SPECIAL EDUCATION

Mr. Allen: I have a question for the Minister of Education. Jaclyn Rowett, who is eight years old, goes to Brownies, ice skates, ballet dances, plays the piano and takes lessons in music. She is completely integrated into the community; yet the York Board of Education and now a provincial tribunal says that she cannot go to school with her brothers and friends but has to go 19 miles to a distant school and to strange classmates.

Jaclyn has Down syndrome. Her parents have fought for three years and spent \$20,000 to get her into a regular classroom. Now they say it is the end of the appeals process. What is the

minister prepared to do to help Jaclyn to go to school with her friends and her brother in the community school?

Hon. Mr. Conway: I thank the member for Hamilton West for asking me my first question. I am very appreciative of—

Mr. Andrewes: The minister is never here.

Hon. Mr. Conway: I have been here every question period save one. I just wanted to thank my honourable friend for inviting me to participate in this important—

Mr. Davis: I notice the minister has a new haircut.

Hon. Mr. Conway: Yes, I have a new haircut, to the member for Scarborough Centre. I will not say anything else lest I get provocative where he is concerned.

Mr. Speaker: Does that have anything to do with the question?

Hon. Mr. Conway: The honourable member raises a concern about which I am aware. I want to say to him that the case to which he makes reference has proceeded through all channels that are provided in the legislation. The final step is the decision of the provincial tribunal, which decision is final and binding. I intend to respect that and therefore respond accordingly.

Mr. Allen: This is a textbook case against the appeals procedures with which we know there are all kinds of problems and difficulties. The fundamental one is that onus is left with the parents to prove that theirs is the best placement and that the board's placement is wrong. The tribunal told the Rowetts they had not made their case. How could they when they did not know the board's proposal, for example, until it was made at the hearing itself? They had no opportunity to prepare their case.

The director's defence that many of those disabled kids, as he puts it, have frequent emotional outbursts is totally irrelevant. It is a libel on Jaclyn Rowett, who does not exhibit those problems.

When will the minister state clearly that, occasional exceptional exceptionalities aside, unequivocally under Bill 82 the child will be placed in a regular classroom, in a regular school, and that the onus lies on the board to demonstrate conclusively that is not the most appropriate placement for that child?

Hon. Mr. Conway: As the honourable member knows, we are reviewing the procedures under Bill 82 on the basis of our five year's experience. We hope that review will culminate in some positive change in the not-too-distant

future. However, as to the here and now, I want to be very clear. The honourable member knows the special education tribunal is composed of experts in the field. They have passed judgement on this case within the context of the law as it is now written. I intend to see that the law as it is written is upheld in this case.

PETITIONS

NATUROPATHY

Mr. D. R. Cooke: I have a petition, signed by 167 constituents, addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is our constitutional right to have available and to choose the health care system of our preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

ASSOCIATION FOR THE MENTALLY RETARDED LABOUR DISPUTE

Mr. R. F. Johnston: I have two petitions directed to the Minister of Community and Social Services (Mr. Sweeney). One is a collection of letters; the other reads as follows:

"We, the parents and guardians of people with developmental handicaps in the Ottawa-Carleton area, want to direct your attention to very distressing developments at the Ottawa and District Association for the Mentally Retarded. Negotiations have broken down between management and union due to a decade of less-than-inflation pay raises, including the present pay offer. The recent strikes at the Children's Aid Society of Ottawa-Carleton and the Robert Smart Centre agencies have been extremely destructive to families and clients who depend on them.

"The services you provide for us to ODAMR are of utmost importance to the wellbeing of our children. We implore you to act immediately to resolve this critical issue before a strike occurs at the ODAMR."

It is signed by more than 100 parents.

The group of letters is from workers at the Ottawa-Carleton Coalition for Quality Social Services asking for better consideration for wages for workers in that sector.

PROPERTY ASSESSMENT

Mr. Grande: I have a petition addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"City of York residents pay the highest property taxes in Metro Toronto, but we still have bad roads, poor snow removal, backed-up sewers and insufficient services. This is due to our small industrial and commercial assessment base. For more than 10 years, the provincial government has failed to act.

"We, the undersigned, petition the provincial Liberal government to correct this injustice by providing special direct grants, as it did in Sudbury, to the city of York to maintain and improve services, while offsetting the higher property taxes paid by York residents."

It is signed by 245 taxpayers of the city of York, in the riding of Oakwood, and it will join a petition that was presented to this Legislature on July 10, with more than 3,000 signatures at that time.

15:10

TRAFFIC LIGHTS

Mr. Turner: I have a petition from the people of Fowlers Corners, including those from the townships of Smith and Emily, in the counties of Peterborough and Victoria.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We petition the Ministry of Transportation to install traffic lights at the corner of Highways 7 and 7B, officially known as Fowlers Corners.

"In the period between October 13 to October 19, 1986, more than 1,000 signatures were collected in support of this petition. Fewer than 25 people were disinclined to sign it when approached and the vast majority expressed very positive views on the subject, many of them favouring weight-controlled lights in the north-south direction allowing unimpeded traffic along the Lindsay highway during the quieter period.

"With the weight of local public opinion solidly behind us, we are asking our political representatives to join with us to present our request that this corner be made safer for us all."

I have pleasure in supporting this petition, and I have no doubt that my colleague the member for Victoria-Haliburton (Mr. Eakins) will be pleased to do the same.

EQUALITY RIGHTS LEGISLATION

Mr. Harris: I am pleased to table a petition signed by 110 residents of North Bay and

vicinity. This was collected by the North Bay Day Care Centre at Fisher and Haig Streets, North Bay, a very fine facility in North Bay.

"We protest against section 18, subsection (1) through (5), of Bill 7."

INTRODUCTION OF BILLS

PROFITS FROM CRIME ACT

Ms. Gigantes moved first reading of Bill 143, An Act to prevent Unjust Enrichment through the Financial Exploitation of Crime.

Motion agreed to.

Ms. Gigantes: I point out to members of the Legislature that this bill was introduced three times earlier. It was a bill standing in the name of James Renwick, our former New Democratic Party colleague, now deceased and much missed.

The purpose of the bill is to make moneys earned by accused criminals from the sale of their memoirs payable to the Criminal Injuries Compensation Board, which should use the funds received in each case to satisfy judgements obtained by victims of the crime.

PENSION BENEFITS AMENDMENT ACT

Mr. Mackenzie moved first reading of Bill 144, An Act to amend the Pension Benefits Act.

Motion agreed to.

Mr. Mackenzie: The purpose of this bill, which is long overdue in this province, is to prevent an employer from taking money out of a pension plan or discontinuing payments into a pension plan where there is a surplus of money in the plan.

VISITOR

Hon. Mr. Nixon: Mr. Speaker, would you permit me to draw to the attention of the members of the Legislature the presence of a well-known citizen and author, Laura Sabia, in the gallery. She is a person who I have always felt would make a good Liberal, but unfortunately I did not have the opportunity to put that to the test. I thought that since she has commented on the public work of this chamber for a few years and since her opinions are highly valued, we should recognize her presence.

COMMITTEE RULING

Hon. Mr. Nixon: On a point of order, Mr. Speaker: I draw your attention to a matter that occurred in the committee dealing with Bill 105, I believe yesterday. It also came before the House by way of the question period, and as

House leader for the government party, I thought I might ask you to give some consideration to the dilemma it presents to the members of the House.

For many years I have heard you and your predecessors say that what goes on in committees is the business of the committees, but in this instance an amendment to Bill 105 that would substantially broaden the bill and bring about increased public expenditure was ruled out of order—I would say properly, in my opinion—by the chairman, the member for Sarnia (Mr. Brandt).

I understand this decision was reversed by a majority vote in the committee, which presumably means the committee is at liberty to go forward with amendments that involve the expenditure of additional public funds. This, as I understand it, is not generally considered to be in order in our tradition.

I draw to your attention as well that on February 11, 1986, in this House, during the consideration of the teachers' superannuation bill, the member for Scarborough Centre (Mr. Davis) moved an amendment to widen the scope of the bill. Actually, he would have increased the window for early retirement to five years from three years. It was ruled out of order by the Chairman of the committee. There was a challenge to that ruling, and the ruling was upheld.

While I would not for a moment say the comparisons are identical, they are very similar. Since one committee of the House has been permitted to go forward with amendments of that type, whereas the committee of the whole has reversed, or at least not upheld, a challenge of a ruling on a similar matter, I thought it might be useful to the members of the committee and to me as government House leader if we could have the benefit of the advice of you and your able staff in how this might be dealt with.

Mr. McClellan: It is my understanding of the procedures and traditions of this House that decisions by the chairmen of committees are the business of the committees and that the Speaker, not being part of those deliberations or of those discussions, is not apprised of them and is not able to participate in the ruling or to second-guess either the chairman of the committee or the decision of the committee itself.

There is a procedure, as I understand it, that would require the committee to write a report and to table its report here in the assembly on the matters that have been raised by the government House leader and that the House itself could then

deal with the question on a motion to adopt or reject the report.

Since the Speaker was not present in the committee, the chairman of the committee was exercising the full powers of the Speaker in his stead and the committee itself has concluded its deliberations, the matter is final.

Mr. Harris: I concur with my colleague the member for Bellwoods (Mr. McClellan) that the government House leader's request is totally inappropriate, out of place and out of order. I do not know why we listened to it for so long.

Mr. Speaker: Many members bring many points to the attention of the House. I have listened very carefully to this request, I suppose I could call it on a point of order from the government House leader, and to the comments of the representatives of the other parties. As I recall over my many years here, the Speaker does not interfere with the activities of any committee. However, the committees are arms of the House, and the Speaker naturally has ears and listens closely to the activities that take place. At the moment, I feel I am not compelled to make any comments until such a matter comes before the Legislature.

15:20

ORDERS OF THE DAY

LIQUOR LICENCE AMENDMENT ACT

Hon. Mr. Kwinter moved second reading of Bill 134, An Act to amend the Liquor Licence Act.

Mr. Runciman: I appreciate the opportunity to participate in the debate on Bill 134, a bill that makes a clear statement about the cynicism of the current government, which I will get to later. Right now, I want to talk about some of the reasons the Progressive Conservative Party does not support this Legislation.

First, I would like to talk about some of the social consequences, concerns that are consistently downplayed, publicly anyway, by the government. The Conservative Party, unlike the Liberal Party, undertook a thorough study of the question through a task force that I chaired. During the fall of 1985, the task force toured the province, listened to 53 submissions and received a considerable number of written submissions. These presentations articulated a wide range of approaches to the question of alcohol distribution. For the benefit of the members, I will like to review the conclusions reached by the task force dealing with greater consumption.

Although there are differing points of view on this issue, the task force accepts the conclusions reached by the Alcohol and Drug Addiction Research Foundation that consumption levels would increase if grocery store sales were allowed. It struck the task force that an increase in outlets of the magnitude suggested must result in an increased use of alcoholic beverages.

Before I get away from the addiction research foundation, I would also like to make some comments for the record in respect of the report by the foundation that the task force made reference to. They drew an analogy between the current situation and the situation in the 1970s, when a decision was made to lower the legal drinking age to 18 from 21. Various political and social justifications were offered at that time, such as fostering sophisticated and cosmopolitan drinking patterns, reducing paternalism by the state, supporting local industries and discouraging illicit drug use.

Within a few years of that 1971 decision, it became evident that there was, as usual, a price to pay for easing access to alcoholic beverages. In that case, the price was increased morbidity and mortality around motor vehicle accidents involving young people and an increase in alcohol problems in secondary schools. As a result, the government raised the drinking age.

They talked about beer and wine in corner stores. One of the comments they made was that the the proposed change involved a partial transition of beverage alcohols from the specialty shops to the general stores. There were a number of implications. However, the most important was that the special status of alcoholic beverages has eroded and the association with foods, sundries and everyday routines is enhanced.

To young people especially, but to adults as well, the message is likely to be that decisions to purchase this drug are no more significant than decisions about purchasing gum, newspapers, milk, cereal, light bulbs or bread. The perceived message will be that beer and wine are alcoholic beverages of moderation, while in fact there are no alcoholic beverages of moderation; there are only moderate drinking patterns and moderate drinkers.

The social ramifications of this legislation are significant. In my statement in response to the minister's introduction of this legislation, I described it as anti-family and anti-youth. I strongly believe that. We know there are many alcohol-related problems in our society that are costing us millions of dollars, if not billions, in

health care costs and resulting in family breakups and worse.

In the past few years we have seen a real awakening on the part of educators and young people who are genuinely concerned about the problem of youth drinking. The Attorney General (Mr. Scott) has frequently spoken out on this issue. Now he stands up and supports the hypocritical message this legislation sends to those same people.

Supporters of this legislation say that if kids want booze they can get it. There may be some truth to that, I do not know. I do know that one does not address the problem of teen-age drinking by making it easier to obtain, which is what this legislation does.

In a study carried out in Michigan a few years ago, underage children were sent into grocery stores to see whether they could buy beer. They succeeded in more than 50 per cent of the stores. "It will be different in Ontario," is the argument of the government and of the advocates. I ask how effectively grocers are enforcing federal legislation prohibiting the sale of cigarettes to children under 14. I will tell the members how well they are doing: lousy. The same thing will happen with alcoholic beverages.

All the advocates point to the United States; they say, "It works there." Obviously, it does not work in Michigan. Last week, while watching a football game on television, I saw a National Football League player urge support in a public service message for an organization that deals with young problem drinkers. By young I mean 11, 12 and 13. He described it as a crisis in the US. This is the panacea the Liberal Party wants to transplant to Ontario. It wants to Americanize this province. This legislation is not only anti-family and anti-youth; it could also be described as anti-Ontario.

I came across a comment this morning in an article about the American situation. A lady was saying: "I have heard many issues raised by the public at large over my adult life, but I cannot remember anyone expressing a dire need to buy a beer in a corner store. Sure, booze is sold in corner stores in the United States and Quebec, but so what? From where I view the world, old boring Ontario has got it all over either Quebec or the United States in all ways, including how we sell beer.

"A couple of years ago, I went into a store in North Carolina. It was an 'anything goes for a price' store, selling everything from chewing gum to vodka. Not only was the store very different from stores in Ontario; the store

manager did not resemble any store manager in Ontario. The experience pops into my mind when I frequent a Brewers' Retail store. I like our beer stores. They are very orderly and clean. I appreciate the manner in which the staffers handle their customers. I have never heard anyone relate that a beer store salesman was ever rude to anyone. The brown-and-orange uniforms worn by staff are always clean and well pressed. The people who work in our brewery outlets are the kind of people I would like to have as neighbours. They are okay guys doing a fine job, so why on earth doesn't Premier Peterson leave well enough alone? What the Premier needs to learn is, if it ain't broke, don't fix it."

15:30

I want to move on to deal with some of the economic implications of the bill. Again, I quote from our task force report. Other members of our caucus are going to be dealing extensively with the additional social implications. In looking at economic implications, the committee initially talked about trade implications. The Ontario beer industry has had a long-established position and the Brewers' Warehousing and Brewers' Retail system, in place for 60 years, is accepted, although reluctantly, by Canada's major trading partners.

Any effort to dismantle the present system and dramatically increase the number of retail outlets by making beer available in grocery stores is unlikely to be acceptable to the signatories of the General Agreement on Tariffs and Trade without a corresponding opening of the Ontario market to foreign beer, especially US beer. The implications for the Ontario industry could be far-reaching, including severe job losses and the loss of many small breweries and at least one major brewery. It should be noted here that one major American brewing company has a brand-new plant in Ohio which is not in use. This plant could produce enough beer to serve half the Canadian market.

With respect to the question of trade implications, I should advise the House that this morning I was informed that the Ontario government has been alerted to the fact that both the United States and the European Community would consider implementation of this legislation as a GATT violation. The provincial government has not consulted the federal government about this legislation. Article 3 of the GATT agreement states that once past the borders, foreign products must be treated equally with domestic products. There is no question that this legislation is in violation.

There are some other implications of beer prices. At present, Ontario has the lowest-priced beer, net of sales tax, in Canada. Information supplied to the task force indicated that extension of sales to the grocery stores would result in a price increase of approximately \$2 per case of 24. This would be caused by increased transportation costs and the presence of an additional link in the delivery chain from the producer to the consumer.

Witnesses appearing before the task force indicated that the sale of beer and wine in grocery stores would result in significant reductions in government revenue. The loss projections on an annual basis range from \$90 million to well over \$100 million. In Quebec, the government experienced a 13 per cent decline in revenue following the extension of wine sales into grocery stores in 1978, as consumers were less likely to visit government liquor stores to purchase highly taxed spirits. It takes 14 bottles of wine to generate the same amount of revenue as one bottle of spirits, Mr. Speaker, in case you are interested.

While the minister has indicated that the provincial revenues are not going to decrease—and I will be interested to hear the rationale behind that position—I can only assume there must be a quiet prediction of a significant increase in consumption. That is the only way I can see the revenues being equivalent to what they have been.

Mr. Mancini: But the member is concerned about the reduction in revenues, and that means consumption.

Mr. Runciman: I was going to allow the other members to stress this, but based on the encouragement of the member for Essex South (Mr. Mancini), I am going to run over some of the social implications before I continue with the economic implications.

I mentioned the matter of impaired driving in my comments a week or two ago. More than 40,000 people in this province were charged with impaired driving last year. The task force found it difficult to rationalize the objectives of the present government and past governments, on the one hand to crack down on impaired driving, and on the other hand to increase the availability of alcohol products. There is popular agreement across North America that strong measures are being taken to get drunk drivers off the road. Making alcohol so much more readily available seems to us in the Progressive Conservative Party to defeat the purpose of legislation against impaired driving.

On the subject of underage drinking, the task force concluded on the basis of testimony that sales to minors would be an increasing concern if beer and wine were available through grocery store outlets. In 1984, more than 384,000 individuals were challenged in Brewers' Retail outlets. In 1985, more than 400,000 were challenged, most on the question of age. This party believes quite strongly that the present system of sales provides the best possible protection against purchases by minors.

Regarding employment opportunities for youth, the present minister has indicated that individuals under the legal age for dispensing alcohol will be prohibited from selling such beverages in grocery stores. Grocery stores are prime sources of employment for teenagers. The government's proposal raises serious questions about the number of opportunities that may remain available if this legislation is enacted. Also, small family-owned-and-operated stores would find themselves in difficulty if required by competition to carry beer and wine.

Another social consequence, and it is an environmental matter, is container returns. The present system of handling beer container returns is the most effective in Canada. At present, 98 per cent of bottles and 75 per cent of cans are returned to Brewers' Retail stores. The task force believes that returns through grocery stores will be less effective and also suggests that the storage of empties will pose a significant problem for grocers.

Another area I would like to touch on is robberies and crime. The police forces across this province have indicated their opposition to this legislation. They feel that wider availability of alcohol, together with the perception of more money being kept in grocery stores, will lead to an increase in holdups and thefts. Many American stores have gone to great expense to install security equipment as a deterrent. We feel the Brewers' Retail and Liquor Control Board of Ontario outlets in this province provide much more control and security, and the police chiefs across Ontario agree.

Getting back to some of the economic implications, the task force report said they would be widespread. I would like to put on record the views of some of the chief executive officers of the smaller breweries in this province. The Toronto Star indicated we were opposing this legislation because we have friends in the brewing industry. I myself do not know anyone in the brewing industry. However, we are talking about some small businessmen here, some small

breweries and microbreweries in this province. I would like to put on the record the views of these individuals.

This is from James Brickman, president of the Brick Brewing Co.:

"The proposed corner store legislation would significantly adversely affect Brick's future in two fundamental ways. First, since a corner store has limited shelf space, it is probable that the corner store merchants will only stock one or two brands of each of the major breweries. It is very doubtful that a merchant would commit any shelf space to a specialty beer such as Brick.

"In the likelihood of trade complications arising, corner stores could be inundated with inexpensive American beer brewed by large American corporations with large marketing budgets."

Ross Eaket, president of Northern Breweries Ltd., says:

"I would like to express our opposition to the proposed sale of beer in grocery stores. I feel we are a major contributor to the economy of northern Ontario. Our annual payroll costs are approximately \$6 million. Fixed asset additions since 1977 were over \$5 million.

"The proposed radical change in the distribution process will spell the economic death of our company for several reasons. Even if regulations were enacted to attempt to force corner stores to handle a brand from small brewers, it would be extremely difficult or almost impossible to enforce. Without the right to distribute our products through Brewers' Warehousing in the past, our company would now not be in business."

15:40

The president of Amstel Brewery Canada writes:

"If beer were available in grocery stores, distribution costs, handling costs and margins would significantly add to the price of beer. The small brewers, having less favourable efficiencies, would be under pressure. If small brewers have to organize their own distribution, the cost would be prohibitive. It would be extremely costly for Amstel to deliver beer in the north and for Northern to deliver beer in the south. It would also be prohibitive to deliver beer to retailers who sell only a limited volume per week. Direct deliveries by brewers to retailers would also lead to price deals. Such a price fight among the three largest brewers would lead to the demise of the small brewers."

I have one final quote from Frank Heaps, president of Upper Canada Brewing, which is a microbrewing operation:

"As a new, small brewing business, we are concerned that changes in the beer distribution and retailing systems in Ontario will seriously affect our sales and could ultimately lead to the demise of the Ontario microbrewing industry."

These are small operations we are talking about and not the majors. We are talking about the very small businesses, especially the microbrewing industry that has been flourishing in Ontario over the past number of years.

We are informed that the Minister of Industry, Trade and Technology (Mr. O'Neil) is publicly supporting this legislation. The minister has said publicly that he is, and I am sure that is making all these individuals in the industry sleep well.

After reviewing the social and economic implications of Bill 134, one has to ask oneself why the Liberal government is bringing it in. This is where I get back to the remark I made about cynicism when I began my comments.

When I came into this House in 1981, I supported the concept of beer and wine in grocery stores. Changing my position was an evolutionary process over a period of years, but the most significant element of my re-education was my involvement in the task force process. I was able to get beyond the superficial appeal to become aware of the very serious, negative implications.

When the current government gave its off-the-cuff campaign promise in 1985, I believe it had done as much research on the subject as I had when I supported it in 1981, which is absolutely none. At that time, during the election campaign, it was beyond its wildest dreams that the New Democratic Party would present it with the gift of government and that it would actually have to implement this hare-brained scheme.

Over the past 16 months, the government has had the opportunity to become educated on this issue. Lo and behold, it ain't so attractive. What does it do? Here is where the cynicism comes in. As an open and honest government, does it admit it has changed its position? Heck, no. Instead, it opts to pull a quickie on what it considers to be a dumb and ill-informed electorate. It introduces legislation chockfull of goodies for special interest groups, knowing full well that the legislation faces certain defeat.

We in this House realize that if the Liberals truly believed in corner store beer, they could have brought it about by a cabinet edict through regulatory change, but the Grits assume that the vast unwashed out there, the poor old electorate, will not have a clue about the flim-flam they are trying to pull off. They are out there insulting the

intelligence of the electorate, telling them, "We kept our campaign promise," when in reality they have rejected their campaign promise.

Smart politics? I hope not. It certainly is dishonest politics. It is the job of the members on this side of the Legislature to make sure the people of Ontario are made aware that they are now dealing with a government which is prepared to stoop to an unprecedented level of cynicism, which is best illustrated by the unnecessary Cochrane North by-election and this unnecessary and phoney piece of legislation. We are dealing with a government without scruples and without principles.

In summing up my comments, there is no doubt the idea of beer and wine in grocery stores has considerable appeal for many, but when one gets beyond the surface and takes a look at some of the very serious social and economic implications, it becomes far less attractive. We in the Progressive Conservative Party have gone beyond the surface. We have done our homework and we do not like what we see.

Brewers' Retail and the Liquor Control Board of Ontario are not without problems, but we do not believe in throwing out the baby with the bath water. Our party has made a number of wide-ranging recommendations, while the minister has been sitting on his hands and fooling around with this phoney beer and wine legislation. Our party has made a number of wide-ranging recommendations with respect to both the LCBO and the Brewers' Retail organizations to have them more effectively meet the needs of today's consumers.

Hon. Mr. Kwinter: After 42 years they suddenly came to life. Who was in charge of the store for 42 years?

The Acting Speaker (Mr. Morin): Order.

Mr. Runciman: Unlike the government, we have adopted a responsible approach, one that recognizes the needs of our consumer-oriented society, while at the same time ensuring the long-term security of thousands of Ontario jobs and re-emphasizing our consistent position of concern with respect to alcohol abuse, especially teen-age alcohol abuse.

Mr. Swart: I rise to speak on this bill with some real concern and some feeling of anger and disgust over the way this issue and the bill have ended up before the Legislature.

The whole issue was treated in a very haphazard manner. In fact, in its getting into the 1985 election campaign, I think everybody would recognize there was no examination, no study, nothing done whatsoever in this regard by

the Liberal Party before it came out with this flippant promise to put beer and wine in the grocery stores.

I do not suppose it was put any better than by William Walker in the *Toronto Star* on May 3, 1986. I would like to quote some of what he said.

"Political observers might think a party's policies are carefully thought out and debated for hours in a smoky back room by high-level strategists who try to forecast public reaction. But that couldn't be further from the truth when it comes to the Liberal government's policy to sell beer and wine in corner stores. About 15 months ago, David Peterson, then opposition leader, was strolling through Kitchener's Brick brewery on a tour when he offhandedly said, 'We should be selling this stuff in corner stores.' With that simple statement, bingo, alarm bells went off in newsrooms and the story was flashed across newspaper front pages and led television newscasts.

"Back at Queen's Park, Liberal strategists scurried around trying to find out which researcher had been working to develop the policy. Nobody knew a thing about it. Nevertheless, it was instant policy. It happened almost by accident. So a summer student was assigned to do some research. In an election campaign that followed, few Liberals considered victory at that point, so the beer and wine promise was repeated across Ontario by Peterson."

15:50

I guess that is a fairly accurate indication of how this issue became a very live issue in this province and, what is more, how it became the policy of the Liberal Party of this province.

That bothers me. I guess it bothers me because of my background in the New Democratic Party, where these decisions are not made by the leader or the caucus but at conventions. Usually, papers are prepared, there is rather intense debate, and then the decision is made by a democratic vote at a convention where 1,200 or 1,500 people are present.

As a matter of fact, that happened at our last convention at the end of June. I have before me the resolution that was passed by the NDP convention after this kind of debate. I will not read it all. I will read the operative part. It states: "Therefore be it resolved that the Ontario New Democratic Party is opposed to the sale of beer and wine in convenience stores, that decision arrived at in a democratic manner."

I urge my friends opposite and my friends on the right to try democracy in this manner. It really works. It has an advantage to it. I am proud that

within this party, these decisions are not made in the kind of flippant manner that the Liberals make them. Now they feel they have to live up to them and bring this bill before the House.

I am a bit angry too because of the hypocrisy that is prevalent in dealing with this issue vis-à-vis the Liberal government's approach to other liquor legislation. As has already been said, no investigation has been done even up to this time, except an investigation by them—it is not an independent investigation—to substantiate the decision they have already made.

There has been no seeking of public information on this such as they have been doing under the other liquor regulations. In fact, I have here the statement that was made by the minister, who is in the House today, when he initiated his advisory committee on government alcohol regulations. Let me read a few of the things he said.

"The purpose of the advisory committee is to obtain public and industry input on current issues so that we may continue this government's responsible change in our liquor laws. Again, the advisory committee will participate in a process of regional and local consultation, travelling throughout the province to approximately 20 centres and receiving reports and recommendations from these communities.

"It is in these areas," such as the drinking age, drinking hours, etc., "we believe," he says so fervently, "that both the public and industry should be involved and consulted before legislative, regulatory improvement is implemented." Then he says this: "Of course, we are proceeding with our policy on the sale of beer and wine in independent food stores." A totally different attitude towards this. No public consultation. No going out around the province to find out what the people think about this. No: "We have decided to do that, and we are going ahead on our own."

The very fact that the government could go ahead if it wanted to, that it does not even have to have a bill before this House but could go ahead and do this by regulation, I suggest, is a degree of hypocrisy comparable to saying, "This is an important item and we want to have legislation to accomplish it." It was not important enough that the government wanted to go around this province and consult with the people of this province.

Hon. Mr. Kwinter: We consulted. It was known as an election.

Mr. Swart: The members opposite consulted with them in an election. If the minister thinks

that was authorization to proceed, he has not looked very closely at the polls that were done about the reason people voted that way in the election. A poll was done afterwards, and 15 issues were listed on why people voted the way they did. Does the minister know what was 15th on that list? Beer and wine in the grocery store. In fact, there were as many people who voted for the New Democratic Party and for the Conservative Party as there were who voted for the Liberals on that issue. According to that poll, it did not win the Liberals any votes at all. How can they consider that authorization to proceed? I find it very hard to come to that conclusion.

The whole thing, I suggest, is a political game to the Liberals. This decision has not been made on the merits of the issue in any sense. It is a political game they have been playing for the past year and a half.

Hon. Mr. Nixon: It was an election promise.

Mr. Swart: That was a political game too.

Hon. Mr. Nixon: The member can draw his own conclusions about that.

The Acting Speaker: Order.

Mr. Swart: I have here the article by Derek Nelson that was carried in the October 22 edition of many, or perhaps all, of the Thomson papers across this province. He talks about this issue. He starts off by saying it is, "the political equivalent of the dance of the seven veils." He then lists a number of the things I have already listed and says:

"Probably the most opaque veil the Grits have thrown over this whole issue is why they brought in legislation in the first place. Even as Kwinter introduced it, he knew the opposition Progressive Conservatives and New Democrats had vowed to combine to defeat the bill. He also knew he could have allowed such corner store sales simply by amending the regulations that apply to liquor distribution. His explanation has added a major social issue and deserves to be dealt with by the Legislature rather than by the administration fiat."

I suggest to members, as they will know if they go on to read the rest of this, that it is a game, and one that has been only partly played out at this time. They are planning to play the rest of that game in the next provincial election. That is why we have it before us at present in this form.

Of course, the Conservatives have been somewhat all over the map on this as well. First their leader was all for it. Then they did a tour and came out against it. The next move, just a week or two ago, was that they were going to vote for

second reading, which of course is agreement in principle. Now they have stated that they are going to vote against this on second reading. However, I have to give them this much credit: they did appoint a committee, go around this province and find out what the people were thinking.

Mr. Ashe: We listened.

Mr. Swart: They listened, and that is more than the Liberal government did on this very important issue.

16:00

As I said, I am annoyed. The Liberals deserve to be condemned because they are taking this political and ill-considered approach to the further liberalization of alcohol when almost all other jurisdictions in the world are moving in the opposite direction. If any study is done, they will find that is the case. Whether it is in the democracies or in the dictatorships, there is a move around the world to restrict access. There is a move towards extensive education programs. In many places they are raising the drinking age to 21. Drunk-driving laws are being toughened, and steps are being taken almost everywhere to tighten the access to and discourage excessive consumption of alcohol. Now we have before us a bill by this government, totally out of tune with the times, to encourage an increase in the consumption of alcohol.

The minister used nice phrases on tabling the bill, such as: "Ontario has come of age. It is time to broaden the method of liquor distribution. We are a mature, urban and responsible community. The paternalism of the past must give way."

That is great phrasing. Let us do it with speed limits on our highways. After all, we are a mature population. Why do we have speed limits on the highway? In fact, we lowered them not very long ago in this province. Let us do it with censorship. Are we not, as the minister says, a mature population? I have not seen him bring in any legislation to change the censorship regulations. What in heaven's name are we doing with seatbelt legislation if we are a mature population, as the minister says? Why do we not legalize all the other drugs if we are so mature?

The World Health Organization lists alcohol as the number one drug in the world causing drug problems in our society. I happen to believe that if there is a major social problem, a government has the responsibility to involve itself in remedying it and not in making it worse. I suggest that we do have a major social problem, not just in this nation but in most of the world, in excessive alcohol consumption. That is not said from the

point of view of any bias. I like my glass of wine. It is said because it is factual, from all the studies that are taking place.

A Gallup poll was taken back on August 2, 1985. I have a copy of it here. It says: "Canadians Near Top in Alcohol Use and Abuse." It points out that the average of alcohol-related family problems in all countries is 14 per cent; in Canada it is 17 per cent. The average of people who drink in these 20 or more countries is 73 per cent; we are 77 per cent. The percentage who overindulge around the world is 21 per cent; in this nation it is 26 per cent.

That might not be too serious if alcohol consumption were spread evenly over the population, but of course it is not. Back in 1983, Canada put out a publication entitled *Perspectives on Health*, which was co-ordinated with the Department of National Health and Welfare. I would like to read a couple of paragraphs from that publication, which set out the situation in this nation about as clearly as anything could:

"There were an estimated 635,000 alcoholics in 1978, or one adult drinker in 20. This total has more than doubled since 1965. An estimated 1.4 million persons, or one adult drinker in 10, now suffer from an alcohol-related handicap. As for mortality, data indicate that in 1978 alcohol consumption was a direct cause of 2,520 deaths—that does not include automobile deaths—"and the indirect cause of 5,668 others, such as traffic accidents and falls.

"Furthermore, there is evidence that alcohol may have played a role in 10,142 other deaths. A total of more than 18,000 deaths in 1978, or 10.9 per cent of all the deaths in Canada in that year, have therefore been linked with alcohol consumption."

The medical profession has expressed its concerns about this excessive consumption of alcohol. I have here a newspaper article that appeared in the *Globe and Mail* during June 1985, in which the medical profession states, "Alcoholism is Canada's third most prevalent ailment after cardiovascular disease and cancer."

We do not have to go a long distance from this House or from this city to get other evidence of the results of excessive consumption of alcohol. A study done in 1978 by the Hamilton police force revealed that 44 per cent of offenders in family violence situations were under the influence of alcohol.

My colleague the critic for the Conservative Party states that this is very much a family issue and very much a youth issue. There is no question that is the case. It is also very much a

woman's issue. The Philadelphia police department did an in-depth examination on the incidence of rape in that city. They found alcohol was present in 34 per cent of the 646 cases in that year. I quote from that report, "There was also a significant, positive association between degrees of planning the rape and the presence of alcohol in the situation."

Dr. Eric Single, who I think we all know is a senior scientist with the Alcoholism and Drug Addiction Research Foundation and a professor at the University of Toronto, made these comments at the International Congress on Alcohol and the Addictions during August 1985 in Calgary:

"In Canada today, approximately 80 per cent of cirrhosis morbidity is attributable to alcohol use. In the United States, alcohol use is a contributing cause for 30 to 50 per cent of motor vehicle fatalities"—we know it is that high in this province; in fact, it is 50 per cent, not 30 per cent—"44 per cent of accidental falls, 25 per cent of all fires, about one third of all homicides and 29 to 40 per cent of all suicides. These data indicate the enormous magnitude of alcohol problems in advanced industrial societies today."

16:10

Yet in the minister's statement when he tabled the bill there was not a single word about these problems we have in our society. Of course, he would have us believe that selling beer and wine in the grocery stores has no effect on consumption. He used that argument in his statement in the House, and he has used it repeatedly. I have here the *Hansard* of his statement when he tabled the bill on October 16. He said:

"Let me address some social issues... During our examination of other jurisdictions, we found there is no evidence that an increase in the number of outlets automatically leads to increased consumption and social problems. There is no evidence to suggest that Ontario would be any different."

Then he said, "In Quebec, wines were introduced into grocery stores in 1978. There was no dramatic increase in wine consumption."

I have the figures. The following year there was a 28.9 per cent increase in wine consumption in Quebec. After they introduced it in Montana, there was a 245 per cent increase from 1979 to 1985.

He went on to say, "Officials in Quebec and Washington state have not reported increased incidences of public drunkenness, robberies or break and entries as a result of policy changes." Does the minister not realize that there has been

something like a 250 per cent increase in the robbery of corner stores since that legislation was passed in 1978?

The amazing part after all this was that the Minister of Consumer and Commercial Relations (Mr. Kwinter) defended his introduction of this bill on the grounds that all the other jurisdictions showed—they did not, in fact, but he said they all showed—it would not cause any social problems.

The leader of the official opposition got up to question the Solicitor General (Mr. Keyes) about the police objections to the introduction of this legislation. The Solicitor General said, "We cannot compare the statistics of Quebec with those of Ontario, just as there are many other things we cannot compare."

If there was ever a case of one minister cutting another minister off at the knees on all the arguments he had put forward in his comparisons, that has to be it.

The minister is out of touch with the real statistics and what the public, particularly those people dealing with alcohol problems, really thinks. I have four studies that have been done by other provinces on the proposals to put beer and wine in their grocery stores in the same manner in which the minister is proceeding here. Every one of them has concluded that it will likely increase consumption and has rejected the proposal. The minister must be aware that British Columbia, Alberta, Manitoba and Newfoundland all considered it and rejected it.

I want to quote from some of these, and I make no apology for taking some time in this debate; this is an important issue. That it started in such a frivolous manner means that now it needs some very serious debate in this House.

In Alberta the report says, "We can resist any move towards allowing food stores to sell wine and beer.... It is important to emphasize that alcohol itself and its availability play a very important role in the development of alcoholism."

The report that was prepared for the Newfoundland and Labrador liquor commission by the mental health division of the Department of Health incorporates numbers of studies which have been done across the world. It talks in particular about one that was done in Finland. In 1969, the Finnish government relaxed its regulations to allow beer to be sold in a variety of stores. Within one year, the per capita consumption had risen by roughly 50 per cent. Furthermore, although the legislators had assumed that an increase in beer consumption would be at the expense of a decrease in consumption of spirits,

this was not the case, and an increase in the consumption of spirits also occurred.

Although not quite as relevant, the 1973 study of Rootman and Oke also provides support for the Creasy study I just reported. This study was based on questionnaires returned by 4,724 junior high school students in 45 schools and communities throughout Alberta. The researchers concluded that the most important factor in predicting and explaining the rate of alcohol used among Albertan junior high school students is the accessibility of alcoholic beverages.

"In conclusion, it would appear from the most relevant studies available that such action as is contemplated by the commission would result in a very significant increase in the per capita consumption rate." That is from Newfoundland.

When it was determined that the government was quite serious about proceeding with this bill in the House and when we thought it might be advisable to get some independent advice on whether its passage would increase the consumption of alcohol, I asked our own legislative library research and information services to prepare a report on a number of things about alcohol consumption and also about the effects of increasing the number of outlets. Incidentally, this report was done was David Neufeld in the research office. This section is headed "Availability of Outlets and Consumption of Alcohol." It states:

"In 1983, a literature review of studies examining the relationship between the frequency of outlets for alcoholic beverages and consumption concluded that"—this is a review of all the literature available—"an increase in the frequency of off-premise outlets is accompanied by an increase in consumption. However, due to methodological weaknesses in many studies, the authors treated their conclusion as tentative.

"In 1984, the matter was further investigated by analysing longitudinal data from specific geographic regions where significant changes in the number of outlets occurred. Two of the four states investigated, Idaho and Maine, had increased the number of outlets permitted to sell wine, while in the remaining two, Washington and Virginia, only an increased selection of wines occurred. In the two states where the number of outlets were increased, wine consumption was significantly greater than one would expect.

"Based on wine consumption between 1961 and 1970, consumption in Idaho per capita in 1971 when the number of outlets was increased was predicted to be 0.39 litres. Instead, actual

per capita consumption rose to 1.13 litres and data from subsequent years indicated that this higher level of consumption did not decrease over time. In Maine, consumption rose a dramatic 305 per cent in 1971, the year when the number of outlets was increased. The probability of this occurring by chance is less than once in a thousand years.

"After 1971, consumption dropped slightly and then continued to rise. The increase in consumption in both states was specific to wine only, indicating that substitution from other forms of alcohol was unlikely and was unlikely to have been caused by other factors. Thus, the results of this study suggest"—this is the final sentence in this report from the legislative research department—"that increasing the availability of alcoholic beverages by increasing the number of off-premise outlets will result in significant increases in consumption."

Another organization which has had a real interest in this—and the official opposition critic referred to this—is the Alcoholism and Drug Addiction Research Foundation of Ontario, one the government funds very substantially. I am not going to read a great deal from this because the member already referred to it.

16:20

It states in this report, which incidentally, is a very recent report done this month: "Increases in access to alcohol are likely to facilitate a higher rate of consumption. Conversely, decreases in access are likely to reduce consumption. The evidence in support of this point is from natural experiments where dramatic decreases have occurred, as well as correlational studies."

Then the member from the official opposition quoted the very last short paragraph, which says: "Given the historical experience of Ontario, and given the findings of research on the connection between alcohol availability and alcohol problems, it must be concluded that from a public health perspective, it would be against the best interests of the people of Ontario to permit the sale of beer and wine in grocery stores."

I had assumed that one of the main functions of the addiction research foundation was to advise the government. One of the best-qualified organizations in this province, perhaps in Canada, to assess and to make recommendations has come out against it; yet the minister has decided to proceed with it.

If the minister does not know of the studies that show a link between accessibility and consumption, it is only because he does not want to know. Not only is there a weight of evidence to show

that the sale of beer and wine in the corner store is folly, but there is also the fact that those who deal with the problems relating to alcohol are overwhelmingly opposed. In fact, the public generally has turned against the idea.

Two or three years ago, all the polls across this nation showed that the majority of people, not a large majority, were in favour of beer and wine in the grocery stores. I have the Gallup poll here from December 22, 1983, which at that time showed that in Ontario, 54 per cent favoured beer and wine in grocery stores, 41 per cent were opposed and the do-not-know range was five per cent.

As I have already said, that has changed very substantially. The Toronto Star poll, which was taken by Goldfarb Associates on May 23, 1986, showed that at that time, 49 per cent were in favour of it and 51 per cent were opposed. The significant thing in that poll was that although 31 per cent agreed strongly that there should be beer and wine in grocery stores, 42 per cent opposed it very strongly. There is no question that across this province public attitudes have changed very dramatically.

A Gallup poll done even since that one showed that in Ontario 61 per cent of the people were satisfied. The question asked was, "On the whole, would you say that you are satisfied or dissatisfied with the way in which beer and wine is sold in this province?" Sixty-one per cent were satisfied, and 28 per cent were dissatisfied. With regard to wine, 66 per cent were satisfied and only 26 per cent were dissatisfied. There is a growing realization partly, in fairness to it, from the tour the Conservative Party took on this issue and partly from a greater consciousness on the part of the people, because it was discussed in many cities across this province, so that people are turning against the proposal the Liberal government brings before us. With respect to whether they think this will be damaging, they are so far ahead of the Liberal government that one cannot even see them.

Angus Reed Associates did a very comprehensive poll in September 1985. Incidentally, the results of this have been confirmed by other polls. It showed that of the public out there, 82 per cent believe it will make the sale to minors a more difficult problem and worse, and five per cent think it will improve it. On sales to drunks: 77 per cent of the public think it will be worse; six per cent think it will improve. On impaired driving: 70 per cent think it will make the situation worse; seven per cent think it will improve it. In a 10:1 ratio, they think the

situation will be worse by putting beer and wine in the grocery stores.

This government proceeds with the bill because a flippant comment was made by its leader a year and a half ago.

Various organizations across this province that have to deal with the effects of alcohol are equally opposed to the bill. Among the Association of Municipalities of Ontario, only a corporal's guard voted in favour of it, and the minister knows that. The municipalities of this province are deadly opposed to it. They were opposed to it a year ago, before the government brought in this silly change that there will be local options.

Mr. Martel: If they were so confident, they would bring it in as a province and not use the weasel words they are using.

The Acting Speaker: Order. There will be a period of questions and comments afterwards.

Mr. Martel: It is a weasel way of doing it and they know it. They do not want to take responsibility for what they are introducing.

The Acting Speaker: Order.

Mr. Swart: I do not mind my colleague interjecting, because what he is saying makes sense. I will proceed.

The members of the Association of Municipalities of Ontario use comments such as this, "If the province hasn't the guts to bring it forward across the board, then they should not foist it on us." Then the newspaper clipping goes on to talk about the vote that took place at that time.

I have another article here, May 16, 1980, "Valley Politicians Predict Mayhem with City Veto Power over Store Alcohol Sale." It starts off:

"Municipal leaders in communities throughout the seaway and Ottawa Valley expressed little enthusiasm Thursday for a proposal to give municipalities the power to veto convenience store sales of wine and beer. Renfrew mayor Audrey Green described the proposed bill as 'the most ludicrous piece of legislation I have heard in a long time.' Mayor Lyle Smith of Deep River said: 'Deep River is a small town. We already have a Brewers' Retail outlet. I do not believe there is any reason to change the current distribution system. We see so much personal tragedy, impaired driving, family problems and so on through alcohol abuse.'"

I could go on to quote much further from the comments that were made by those Ottawa Valley people.

I have a newspaper clipping here from a year ago. "Corner Store Beer, Wine Opposed by the

Health Board." I am sure the minister knows that the health boards in this province as a group have come out in opposition to his proposal.

16:30

I have another headline here: "Trustees Worried about Liberalized Booze Sales." That comes from Lincoln county, in my own area. Again, this opinion is representative of all the school boards across this province. That was September 1, 1986. The story says, "Last night, they voted to tell Premier Peterson and Consumer Minister Monte Kwinter that they don't want the province to liberalize liquor laws and allow grocery stores to sell alcohol."

I have another article, from Brockville. The trustees there are going to fight it.

Recently, the school principals and vice-principals of this province came out solidly in opposition to it. The Federation Update of September 15, 1986, stated under the headline "Principals and Vice-Principals Speak Up on how Corner Store Beer and Wine will affect Schools" as follows:

"Ontario's public high school principals are asking the provincial government to rethink its decision to allow the sale of beer and wine in corner grocery stores." I am quoting from the release. "The decision followed a weekend meeting of Ontario secondary school principals and directors, which examined the possible impact of the government's decision upon neighbourhood schools and which also heard how corner store beer and wine sales affect schools in Quebec and large United States cities like Detroit, where the city of Detroit now is considering passing legislation to even prohibit grocery stores a substantial distance from schools from selling beer and wine."

J. L. Martin, principal of Lindsay Collegiate and Vocational Institute, was blunt in the release:

"Alcohol and schools do not mix. It must be obvious to anyone that having beer and wine available in the Becker's store across the road will increase the access in a way that cannot help affecting our young people and our schools. Having beer and wine there is likely to increase the incidence of robbery in those stores."

They list the questions that the Alcoholism and Drug Addiction Research Foundation asked on this issue:

"Does the population of Ontario need increased access to alcohol? Which groups or sectors of Ontario society desire this change? Who will benefit from providing beer and wine in grocery stores? Who will experience setback

complications in public health or public order complications as a result of this change?"

Then they say:

"We would add an extra question to their list. How will the sale of beer and wine affect high school students all across Ontario? It is very clear to us that it can only have a negative effect."

I get a bit amused at the attitude of the minister and the government about this. Concern is being expressed across this nation for what has been happening in the campus pubs, which has caused some very serious problems, as the minister knows, with regard to the students there. The students themselves have stated that only three had abstained from alcohol in the previous month. "From studying 125 of the drinkers, close to a third said they had skipped classes because of drinking, 40 per cent blamed lower marks on booze and almost half said they drove after they had been drinking."

We recognize that problem, yet the minister says that somehow or other the corner store next to a school or across from a school is not going to have any effect on the students in that school. That is so much nonsense, and the minister knows it.

Mr. Martel: Who said that?

Mr. Swart: I am saying this.

Mr. Martel: No. Who said it would not have any effect?

The Acting Speaker: Please address your remarks to the chair.

Mr. Swart: The minister has said that over and over again.

Mr. Martel: He sure knows a lot about kids and teaching. Some of the statements being made are unbelievable.

Mr. Swart: Yes. He has said that over and over again.

In addition to the groups I have enumerated, the police chiefs are violently opposed. The Ontario Medical Association is opposed to it. A number of social work groups have come out in opposition to it. The churches are opposed to it. The trade union movement is opposed to it. The Alcoholism and Drug Addiction Research Foundation, which I have already quoted, is opposed to it. That is only a small part of the list.

The lineup against alcoholic beverages in the corner store is solid by those who deal with the effects of alcohol on our society. They all say it will worsen the situation. Today, as I have done before, I challenge the minister to name one group in that massive body that approves of what he is doing and says it will improve the situation.

Hon. Mr. Kwinter: Will the member yield the floor so I can do it now?

Mr. Swart: Yes. Let him do it.

The Acting Speaker: Order. Are you authorizing the Minister of Consumer and Commercial Relations to ask you a question?

Mr. Swart: With your permission, I am giving him the floor momentarily.

The Acting Speaker: I see this as a very unusual situation.

Mr. Swart: All right. He can make his comments afterwards.

The Acting Speaker: Order. There will be a period afterwards when the minister will have a chance to ask you a question. Go ahead.

Mr. Swart: I am sorry; would you repeat the ruling? I did not hear it.

The Acting Speaker: I said there will be a period after your speech.

Mr. Swart: Thank you.

I want the minister to know that I am angry too, because I believe his proposal is a con job on consumers and other groups in our society. For instance, in his statement there is not a word about the increases in the prices that will take place. He did not even deal with that in the statement he made in this House. He knows very well there will be a dramatic increase in prices if there is a substantial amount of beer and wine sold in the grocery stores in this province.

Mr. Martel: Do you know where?

Mr. Swart: My colleague asks whether I know where most of it takes place. Sure; in the outlying districts. The average increase will likely be about \$2 a case for beer. This is coming from the minister who is supposed to protect the consumers of Ontario.

The members probably know that Price Waterhouse has done a study on the comparison with Quebec prices. I will read this. The following table summarizes the cost of distributing beer from the manufacturing point to the consumers in six provinces. I will deal with Ontario and Quebec because they are the most similar, as it says here.

In 1984, in Ontario it cost \$1.83 to distribute beer from the brewery to the last retail outlet, whatever that may be. In Quebec it was \$4.10. In 1985, the gap had widened to \$1.92 in Ontario and \$4.31 in Quebec. The study says:

"The Brewers' Warehousing system in place in Ontario is significantly more cost-efficient than the distribution system in any of the other provinces. The relative cost savings associated

with the Brewers' Warehousing system include substantially fewer retail locations; elimination of duplicate transportation, equipment and employees; consolidation in administration costs and of distribution incurred by the manufacturers; elimination of profit margin and markups that must be paid to a distributor's agents and retailers in other provinces; reduced working capital requirements; information systems that permit manufacturers to control both production and inventory levels.

"The value of the BW system of beer distribution is best assessed by comparison with that of Quebec for the following reasons. Quebec provides a good example of a totally decentralized distribution system whereby brewers individually distribute beer to licensees and grocery stores for ultimate retailing to consumers. The two provinces have similar demographics and consumption patterns. The populations and areas served are most similar relative to the other provinces. The volume of beer sold in both provinces is sufficient to assume that both systems have taken full advantage of economics of scale within the constraints imposed by the approach to distribution."

This is the conclusion of Price Waterhouse:

"Our analysis indicates that cost savings achieved by the centralized BW system in Ontario over the decentralized system existing in Quebec is \$2.39 per 24-bottle case. With a total BW volume sold of 98.5 million cases, this equates to an annual cost saving associated with a BW system of distribution in Ontario of \$235 million annually. Assuming a 10-year time horizon and five per cent real discount factor, this cost saving results in a value for the BW system of \$1.8 billion."

16:40

The consumers' minister seems just as ready to hoist those kinds of costs on the people of this province as he is to block an auto insurance system that could save the people of this province at least \$500 million. The report continues:

"Even if the absolute level of taxes were to remain the same in Ontario, shifting to a Quebec-type beer distribution system would require a price increase of \$2.39 per case for the breweries to retain their same net return. However, due to the ad valorem nature of taxes, a basic price increase of \$2.39 would result in a further \$1.12 per case in provincial, federal and ad valorem taxes at existing rates, which could bring the consumer price increase to as much as \$3.51 per case."

Granted, the government would get additional taxes on that. I am not suggesting the government is going to do it, but the distribution system alone will put close to a \$2.50 increase on a case of beer.

This comparison between Quebec and Ontario is borne out by other studies. This is not something hypothetical; the figures are all there. It is borne out by other studies. In fact, I did some calling on my own, and my sister did some calling, and these figures are correct.

That means this flippant decision as an election gimmick will cost Ontarians a minimum of \$235 million more annually. What a price to pay for carrying out a flippant decision that was made without any consideration ahead of time.

That is the average increase, but let us not forget that the uniform price will be gone, as in Quebec. In remote areas, the increase will be far greater than \$2.35. I am sure my friends from northern Ontario, and perhaps some of the minister's own colleagues from eastern Ontario, will have something to say about that. Of course, the minister in his statement does not even mention prices or losing the uniformity of price across this province. What objectivity in the statement by the minister that is responsible.

This is also a con job on the grape growers and the wine industry in this province. The minister cannot deliver on domestic wines and domestic beers in the grocery store. Again, he does not even mention this in his statement. He does not mention this at all, but I want him to know that the grape growers of this province are aware of this.

I have a letter here which I want to read to the minister. It is addressed to me and is dated December 9, 1985. It begins: "I thank you for your letter dated November 27, 1985, and the enclosed clipping from the Toronto Star." It was a clipping about the minister, in which he was quoted as saying, "Perhaps there will be GATT objection to only permitting domestic wine to be in the store, and perhaps we may not be able to do it."

The letter continues:

"I am enclosing a copy of a brief presented to the task force on beer and wine in grocery stores on October 16, 1985, in which the board has stated, among other things, that the sale of wine in grocery stores is 'conditional that all wine retailed through the grocery store system be Ontario wine or wine commensurate with the standards of the Ontario Wine Content Act.'"

"This position has not changed during the long period during which wine in grocery stores has

been under discussion. The board conveyed this understanding to the Honourable Gordon Walker under date of April 22, 1981, and all future endorsements of wine in grocery stores had been conditional on the wine being Ontario wine.

"The quote attributed to the Honourable Monte Kwinter in the Toronto Star is the board's first indication of a possible diversion from this policy. It is a divergence which the board will not endorse. I am in full agreement with your opinion," which I expressed in my letter to him when I sent him the clipping, "that the likely result would be a further reduction in the consumption of locally produced wines."

That is signed by Brian Nash, chairman of the Ontario Grape Growers' Marketing Board. They are not ignorant in any way about what this is going to mean to them.

He sent me a copy of that brief. I want to quote a few sentences from it.

"The board's support of a change is conditional on the following: that all wine retailed through the grocery store system be Ontario wines or wine commensurate with the standard of the Ontario Wine Content Act; that the board be assured of the change that you are proposing to make in this bill; that the board be assured of the GATT-ability of this change."

"The international trade agreement signed in 1979 between Canada and a multitude of trading partners included a reference to Ontario's wine industry. This reference stipulated that trading cannot be more restrictive than at the time of the signing of the agreement. Some experts in international trade have interpreted this to mean that in having Ontario wine exclusively in Ontario grocery stores, we would be considered in violation of this agreement. The board requires assurance on this matter."

That is from a brief by the Ontario Grape Growers' Marketing Board.

Where does the minister stand on this, or what does the minister think about this GATT-ability, as they say? I want to quote from an article by Gordon Sanderson in the London Free Press of September 11, 1986. He quotes the Minister of Consumer and Commercial Relations as saying this:

"The GATT people are also very concerned about what they consider to be our discriminatory policy with European wine, and that is a very serious bone of contention with them. They have already put us on notice that if we were to put beer and wine in the corner stores and exclude them, that this would in fact be the straw that

breaks the camel's back, and they would really ask for sanctions against us."

That is the minister speaking, the same minister to whom the grape growers' marketing board said, "We want assurance that this will not contravene GATT before we proceed with this bill." What did he mean by this? Perhaps when he gets up he will explain exactly what—

Hon. Mr. Kwinter: You are the same guys who complained that we did not do anything about the countervail on lumber.

The Acting Speaker: Order.

Mr. Swart: He is going to get us into a worse situation.

I thought the minister might have been mistaken, as he so often is. However, I called and had a rather extensive conversation with Frank Stone, who is the author of Canada, the GATT and International Trade. I have notes here from that conversation, about eight pages. In essence he says there is no possibility that sanctions will not be taken against Canada if beer and wine in the grocery stores are confined to our domestic brands. There is no possibility.

16:50

The minister himself raised the issue of the softwood. My colleague the member for Sudbury East (Mr. Martel) made some comments which were very accurate. What the minister is doing by this will get this whole nation in trouble with the General Agreement on Tariffs and Trade. He is going to bring down sanctions. He said so himself. It is so clear. Does the minister know the committee of GATT has already been appointed.

Hon. Mr. Kwinter: That has nothing to do with beer and wine.

Mr. Swart: It has everything to do with beer and wine.

Hon. Mr. Kwinter: The member is talking nonsense. It has nothing to do with beer and wine.

Mr. Swart: It certainly has. Frank Stone said they are scheduled to deal with the beer and wine here. They were set up to deal with the wine discrimination. Now they are going to deal with the beer and the wine.

Mr. Ashe: They are slow learners over there.

Mr. Swart: They certainly are.

The minister knows very well from his own statement that the government is not going to get away with domestic beer and wine in the grocery stores. He is conning the grape growers and they know it.

Mr. Runciman: They are trying to con the public, period. It is a hoax.

Mr. Swart: They are certainly doing that. I am sure the member for Lincoln (Mr. Andrewes) has close contact with the grape growers, who know they are going to be worse off if the government goes through with this bill. It may sound so good on the surface, but very shortly thereafter we will find that we have to allow foreign wines and beers in the grocery stores.

The minister might remember the handling charge, a very minor thing compared to this, and on that the United States threatened to take sanctions against our Canadian whisky. The minister must have read about that even though he was not in the House at that time. He knows very well what is going to take place.

The grape growers and the wineries will be left holding the bag if the government gets its way in bringing in this bill and proceeding with it. It is doing the same thing with beer. The member for Leeds (Mr. Runciman) mentioned it in his remarks.

We discussed with Frank Stone the issue of beer and whether putting it into the grocery store will break the grandfathering clause of 1949. He indicated to us that it would break the grandfathering clause we have now. I think everybody knows about the GATT arrangements and agreements that were signed in 1949 for those issues at that time, with the grandfathering clause. We had Brewers' Warehousing here and, therefore, foreign beers could not get into our province.

What is going to happen now? I can tell the members what is going to happen if this bill is permitted to go through. This province will be flooded with beer from other countries, and whether the beer is sold actually in the Brewers' Warehousing or whether it is in distribution, a very substantial number of our workers in the beer industry who have reasonably good jobs will be unemployed because this government insists on going ahead with this very silly proposal.

I want to state categorically that the minister and the government are willing and anxious to put Ontario grape growers, the wine industry, the brewing industry and thousands of jobs on the auction block to satisfy their own ego trip of beer and wine in the grocery stores. The government is going to bait sanctions that always have repercussions far wider than the single issue.

The minister said nothing about the policing of alcoholic beverages in grocery stores. Even his own appointed chairman of the Liquor Licence Board of Ontario, back on June 28, 1986, said

that the sale of beer and wine in corner stores is a horrendous project that could require 200 more liquor inspectors and cost \$3 million annually. In a series of interviews in the *Toronto Star* about the province's liquor laws and regulations, Douglas Drinkwalter also said that the enforcement question is magnified for inspectors because many of the people patronizing corner stores are underage school youngsters.

I presume the minister has got to him since that time and has told him not to make any more such statements, but I suspect he said that at the time from real concern. I suspect he had consulted with the minister and knew what he was talking about, and that is why he warned the government about it.

I know the minister says there will not be any problem and there will be tough penalties for anybody who sells beer and wine to minors. That in itself is an admission of the danger he knows is there. He is not going to put on the penalty to fit the crime; he is going to put it on as a prevention. If it is in the grocery stores, I support him putting it on as a prevention, but it is an admission on his part that there is a real danger.

I want to take this opportunity to express a very real objection to a comment that was made by the minister when he was in Windsor about a week ago. According to the *Windsor Star*, he said store owners would be less likely to sell alcohol to minors than would employees of Brewers' Retail, who are not subject to the fine and penalties included in the bill.

I resent that maligning of the workers in Brewers' Retail. Is the minister suggesting they do not police sales well? In fact, last year of 380,000 people they thought were under age or inebriated, they turned away half. Yet the minister is maligning them by saying they are not doing as good a job as the clerks in the stores would do. That is a disgraceful thing to say about people who are doing excellent jobs of policing at present.

This bill may well be a con job on the independent grocers too. There is reason to believe supermarkets will get into beer and wine sales as well, as they did in Quebec after a long period of time. Steinberg found a way of getting into it.

When the minister says in the regulations he lays down in his statement in the House that independent franchisers will be able to sell, he must know that half of IGA stores are franchise stores. Are all the IGA stores going to be able to sell in this province? He must know that many of the Dominion Stores were sold to Mr. Grocer.

They are independent franchisers. Are they going to be able to sell it?

Is he going to be able to say to those that are supermarkets that they can sell but the other supermarkets cannot sell? It is a can of worms. He cannot regulate that. It will be no time at all until all the supermarkets will be selling it, and if it is going into the grocery stores, that may not be unreasonable. Let us not kid ourselves that it is only going to be the corner stores that are going to be selling this.

Mr. Sargent: The member is against small business.

Mr. Swart: I am not against small business, but it is not going to be possible to confine this to small business. They will not get the benefit that the minister would like them to believe they are going to get and has led them to believe they are going to get.

The silliest part of the whole proposal has to be the passing of the buck to local government to make the determination of whether there is going to be beer and wine in their own municipalities. I know that was a political decision too. The minister thought that was part of the price of getting the member for York East (Ms. Hart) elected. That was the first time the issue was raised; so he jumped on it and helped to get her elected in York East. It had nothing to do with the issue, nothing to do with common sense and everything to do with political motivation.

17:00

Doing that negates all the so-called advantages the minister likes to list, particularly of convenience. We know very well that with the present opinion of the municipalities, the bulk of the municipalities in this province will either have resolutions passed by their council in opposition to it or there will be a plebiscite.

The province will probably end up with maybe one third or one half of the municipalities permitting the sale of beer and wine in grocery stores; likely, they will be mostly urban municipalities. The minister talks about this great convenience for somebody who has to drive 20 miles from a rural municipality to go to the Brewers' Warehousing to get his beer, but he will still have to do it.

We will have the silly situation of stores across the street from one another, one being able to sell beer and wine in the store and the other not being able to sell them. We will simply have an impossible situation. In addition, the municipal politicians, being politicians as we all are—perhaps making decisions to a much lesser degree on the impact of what it means to me than

does the Minister of Consumer and Commercial Relations—may say, “We better put it to the public in a vote.” A lot of them will do that.

Does the minister realize what it costs to have a vote in the municipalities? It costs at least \$1 per capita to have a vote. If the city of Welland has a vote, where the council is opposed to this, it will cost \$45,000 to the city.

Hon. Mr. Kwinter: Not during a regular election, it will not.

Mr. Swart: The minister says, “Have it at the time of the election.” He is saying, in effect, he wants the people to wait for two years.

Hon. Mr. Kwinter: The member wants them to wait for ever.

Mr. Swart: That is right. But the minister is saying: “This is good for Ontario. We are doing it for the benefit of the people of Ontario.” He is the one who is saying that, and now he is reneging on it.

An hon. member: On a point of order, with all due respect, sir—

Mr. Speaker: Order. The member is not in his seat. He is on a seat but he is not in his seat.

I regret the inconvenience to the member for Welland-Thorold.

Mr. Pouliot: I will take full responsibility for that. We will make it a *pas de deux* on a point of order.

Mr. Speaker: Order. It is a point of view.

Mr. Swart: I can understand the minister getting rather agitated on this. A person who knows he is in the right and knows he is doing good for the province is quite calm about it, but anybody who has such great doubt about it, obviously, gets a little bit agitated. I can appreciate that and I will forgive him for doing it.

There are just two or three other items I want to mention before I conclude. One is the loss of good-paying jobs, and I referred to it already. There is no question that if jobs are lost in Brewers' Warehousing or in the Liquor Control Board of Ontario, the jobs that replace them in the corner stores will not pay the same kind of wages. I see the minister busily writing. I know there will be jobs created as well, but those good jobs, those union jobs, to a very large extent will be gone.

I have no doubt that if this bill were to pass, one of its results would be the raising of the drinking age to 21. The minister will feel obligated to show the great public out there that he is concerned about the consumption of alcohol, particularly by the young. One would hear him speaking in the cabinet: “We have to

make some moves now. A lot of people think we are opening up the access and there is going to be additional consumption. We have to make some moves now to show we are on the side of those who think we have to cut down the consumption." For that political reason—the facts do not prove the young are any worse—he will be raising the drinking age to 21.

I want to deal with the final issue very quickly. The minister must recognize that if this legislation passes, there is no turning back. If the government has legislation on the books and 15,000 or 20,000 small grocery stores across the province able to accomplish this, they become dependent on this income. Regardless of what happens, there is no turning back.

They have found that to be so in the United States. I have a quote from the police chief in a major city in Washington. I have forgotten the name of the city, but I can dig it out. He makes the following comments: "Why did we ever proceed with this, with the problems we are having? Seventy-seven per cent of our time is spent on policing the problems associated with alcohol."

If the minister was sincere in wanting to do this only for the sake of greater convenience for people, there are other much more satisfactory ways it could have been handled. There are more agency stores in the parts of the province where people have to go some distances to get alcohol. He might have considered having licensed outlets available to sell it. That would have been preferable to this. That is another consideration. There are all kinds of alternatives that would have been much more satisfactory than this ill-thought-out proposal he is putting before us at present.

I was raised on a farm and I am proud of it. I remember on one occasion when I was just a boy, a horse salesman came around to try to sell a horse to my father. My father needed one, so he took a pretty good look at this horse. In those days, horse salesmen were not considered the most reputable people in our society. My father felt the legs of the horse to see whether there was arthritis or rheumatism. He looked at its teeth, since one can tell the age by looking at its teeth. He brushed the horse down to feel its coat and then he gave it a slap on the backside. It jumped off and went right into the side of the barn. I remember my father saying to that salesman: "That horse is blind. You tried to cheat me." The salesman said, "That horse isn't blind; he just doesn't give a damn."

I suggest the same is true of the Minister of Consumer and Commercial Relations. I do not think he is blind; I am not even sure he does not give a damn about this situation. It has everything to do with something else. It has everything to do with politics and nothing to do with the issue. I suggest that he if wants to do a real service to the people of this province, instead of proceeding with Bill 134 and the companion bill, Bill 135, he ought to drop it now and dissolve the whole issue.

Mr. Speaker: Are there any comments or questions?

Hon. Mr. Kwinter: I listened with great interest to the member for Welland-Thorold and his talk about anger, concern and flippancy and that this was some issue that came full-blown out of some casual remark made by the Premier (Mr. Peterson). During his impassioned plea, which I could not help thinking was the most cynical statement I have heard in this House since I have been here, he started to quote all these authorities and said: "Is there one authority that you can give me that has ever been in favour of this bill? Name one."

17:10

Mr. Swart: I did not say that at all.

Hon. Mr. Kwinter: What did the member say?

Mr. Swart: On a point of order, Mr. Speaker: Hansard will show that was not what I asked at all.

Mr. Speaker: Order. This is the time for the member's response.

Hon. Mr. Kwinter: I would like to quote what I consider to be the most reliable authority we have heard this afternoon, the member himself. This is from the member in a debate that was held on exactly the same issue. It is not something that is flippant and it is not something that is new. It is something that was debated at great length in this house. On May 3, 1984, this is what the member for Welland-Thorold said: "On this issue, as on most issues which come before this House, one has to weigh the benefits against the disadvantages and the harms, if any, that can be caused by enacting such legislation. It is obvious, as the member who initiated the bill has pointed out, that the benefits are very substantial."

He not only said they were substantial, but he went on to say, "There is no question it is a popular and very beneficial move."

Mr. Reyecraft: In the early part of his remarks, the member for Welland-Thorold referred to the

increase in consumption in Quebec after the sale of wine was permitted in grocery stores in 1978. I would be interested if in his final comments he will indicate to us the source of the information that describes the increase in consumption in Quebec. Also, I would be interested in knowing whether he has compared that increase to any increase that might have taken place in this province in the same period of time.

Mr. Ashe: I am very pleased to note that the member for Welland-Thorold is one who can see the light of day and change his opinion over time. I never thought it might be possible. My query to him is that he give us some rationalization for his seeing the light in the past two years or so.

Mr. Breaugh: I would like the member for Welland-Thorold to comment on some of the remarks that have been made. I am a little perturbed, to be polite about it. The member for Welland-Thorold on this occasion, as we all have on other occasions, participated in a debate on the subject. We have all said on many occasions that there is a good side and a bad side to this and that it is a judgement call.

I am a little taken aback that the minister would rise in his place to do a cheap shot on a member who has been here and who has paid his dues for some time. When the minister has offered the people of Ontario that much service, he may do that. Until he does, I do not think it behooves a minister of the crown to stand in his place and do cheap shots. That is what the back bench is for. The minister should have his staff give his backbenchers these little flunky notes and let them read them. This is their day in the sunshine.

There is not much question that this afternoon we are debating a bill that the minister knows full well will be defeated. It is a good question as to why we are bothering to debate the bill. I do not object for a moment to spending an afternoon on it, but I hope we do not set aside the business of Ontario for the next month to debate a bill we all know will be defeated.

It seems to me that is not only stupidity but that it is also silliness. If he has a good argument for the process he is proposing in this bill, let us hear it, but let us back off the cheap shots. If that is the best he can do with his well paid staff people—he has every right in the world to have them—he should just forget about it. If he has nothing more concrete, positive and sensible to offer to this debate, this whole exercise this afternoon, and maybe for the next few days, will truly be a sad waste of everybody's time and effort.

Mr. Ward: I want to reiterate that we are all aware of the arguments for and against this

legislation, and they are worth repeating. Despite the objections of the member for Oshawa (Mr. Breaugh), I want to reiterate some of the statements that have been made by others in this House, because I think it gets to the very crux of the issue. I will quote:

“However, I have done enough investigation on my own, particularly with the statistics that come from Quebec, which shows there is nothing to indicate selling wine in grocery stores will increase the consumption of alcohol generally. The general information is that it would likely decrease the net consumption of alcohol.

“Because of that, there should be nobody in this House who would vote against this bill we have before us today. I think we should stop advertising alcoholic beverages if we want to reduce consumption of them. With this bill that would permit wine to be sold in grocery stores, I suggest it gives us the best of both worlds. It helps out our own farmers and helps out the wine industry, and will reduce the consumption of alcohol.”

Those were the comments of the member for Welland-Thorold the last time this bill was debated. I think they speak for themselves.

Mr. Offer: I detected at one point that the member for Welland-Thorold spoke disparagingly in so many ways with respect to the students of this province. There are many programs that are now being undertaken by the students in Ontario exemplifying a responsibility with respect to alcohol use. For instance, there are certain programs in many of the university campuses around the province. There are designated driver programs that are now being instituted, all designed to promote responsible alcohol use. The member for Welland-Thorold would do well to take a lead from the students of this province with respect to the responsibility they are exemplifying.

Mr. Swart: I am quite surprised by the comments of the Minister of Consumer and Commercial Relations. I thought he would have known that when the bill was debated before, it was with regard to wine in the grocery stores, not beer and wine. That is a very substantial difference to the present bill that is before us. A tremendous increase in the consumption of alcohol takes place when we have beer in the grocery stores as well.

I am more conscious now of the fact that the General Agreement on Tariffs and Trade regulations will prevent us from making domestic wine available. Although wine in grocery stores might have some detrimental effects if it were there,

they would probably be outweighed if we could have only domestic wine. However, that is not the bill we are talking about. I am surprised the minister did not know that.

I was asked for the figures with regard to the increase in Quebec. I will provide them to the member for Middlesex (Mr. Reycraft). I have them in my files. I think the member was referring to the 28.9 per cent.

I want to say very emphatically that in no way was I casting any reflection on the students of this province. I am casting a reflection on the way the government proposes to treat those students and use them as guinea pigs in this whole issue of beer and wine in the grocery stores.

M. Poirier: J'ai l'honneur d'appuyer le projet de loi 134 qui permettrait la vente de bières et de vins canadiens par les dépanneurs indépendants de l'Ontario.

Premièrement, je voudrais commencer par féliciter le gouvernement libéral de l'Ontario. Il s'est respecté en passant de l'avant pour s'assurer de mettre en oeuvre une de ses promesses électorales qu'il a faite lors de la dernière campagne électorale.

Je voudrais féliciter également mon collègue, le ministre de la Consommation et du Commerce, qui a fait l'excellent travail de traduire le travail, la promesse du gouvernement libéral en une réalité qui est réalisable et réaliste à l'échelle de l'Ontario.

À titre de député de Prescott-Russell, Monsieur le Président, je peux vous en dire quelque chose. Chez moi, dans ma circonscription, dans l'Est de l'Ontario, j'ai reçu un appui massif de la part de la population. Bien sûr, il y avait des gens qui étaient inquiets, mais ça s'est réglé. Chez nous, c'est un dossier clé, populaire, parce que les gens ont compris ce que ça voulait dire.

17:20

Le 22 mars 1984, mon collègue, l'ancien député de Prescott-Russell dans cette auguste Assemblée, Don Boudria, en tant que simple député, présentait le projet de loi 8 qui visait ce que nous visons aujourd'hui, c'est-à-dire la vente de bières et de vins canadiens dans les dépanneurs indépendants de l'Ontario. Évidemment, nous savons très bien ce qu'en a fait l'ancien gouvernement conservateur qui n'est plus au pouvoir. Nous savons quel accueil il a réservé à ce projet de loi, disant que l'Ontario n'était pas prêt, évidemment, à ce genre d'évolution naturelle qu'ont connue plusieurs de nos voisins.

Comme je le disais tantôt, ce dossier-ci, c'est un dossier populaire clé. Toutefois, il y a encore beaucoup de mythes et de rumeurs qui persistent,

et malheureusement, il y a des gens qui continuent à vouloir repousser ceci. Il y a eu le célèbre dossier de la perte d'emplois, de l'augmentation de la consommation à un tel point que l'Ontario ferait face à un taux d'alcoolisme effarant.

Je comprends et j'accepte qu'il y a eu des gens, au début, qui étaient inquiets de ce que voulait tout dire ce projet de loi, sa portée, ses conséquences. C'est normal; on peut s'inquiéter, au tout début, lorsqu'un gouvernement présente un projet de loi-mais lors des premiers contacts, pas après qu'autant d'information a été offerte à tous les consommateurs et toutes les consommatrices qui ont bien voulu se renseigner.

Il n'y a plus de raison, maintenant, aujourd'hui. Si on en veut, j'ai entendu mes deux collègues, le député de Leeds (M. Runciman) et le député de Welland-Thorold (M. Swart), nous lancer par-dessus la tête mille et une statistiques, à gauche et à droite, démontrant ceci, démontrant cela. Moi, je peux leur en montrer autant qui démontrent que nos voisins qui l'ont déjà essayé n'ont pas regretté leur décision.

The interesting part is that for many years the great riding of Prescott-Russell, the region of Ottawa-Carleton and the entire Ottawa Valley have, in effect, been living with the benefits of what this government is proposing for the whole of Ontario. There has been only one catch. We have been able to buy our beer and wine in grocery stores, but we had to cross the river to go to Quebec to do it, to the great joy of the Quebec merchants, of course. I have read in the newspaper they want to fight this bill because it might be the demise of the Quebec independent store owners across the Ottawa River.

I challenge anybody to come to Prescott-Russell, Ottawa-Carleton or the Ottawa Valley to find out if the Ontarians who have had this chance to buy beer and wine in the grocery stores across the river seven days a week are so different from the rest of Ontario. We are not. Then why should we not normalize the situation so the small, independent, Ontario store owners can get the economic benefit? Why not?

I like the phrase "liberalization of the law" because it translates to where Ontario and its consumers are at in 1986. This is not 1886; it is 1986. We have been living this. I have had much correspondence, many letters and visits from the small merchants and consumers of Prescott-Russell. They are saying, "If we could buy our wine and beer in our very own corner store as opposed to having to cross the bridge to go to Quebec to do it, what would it change for us?" I

answer, "Nothing, except the Ontario economy would get the benefit of what we are already doing in the Ottawa Valley."

Even in the great riding of Leeds, did the member for Leeds not say in 1981 that a lot of the people from his area cross over to the United States to buy their beer and wine? Are we going to say to the people of Leeds and any other riding close to the United States, the Quebec border or any other international border that they are different from the rest of Ontarians? Are we lesser Ontarians? Do we take our baths in alcohol? Do we ingurgitate industrial quantities of alcohol because we might be close to the Quebec or American border? Of course not.

The enjoyment of consumption of fine Ontario wines and beer, including the beer from the microbreweries, can be had in moderation. We do not need to take a bath in alcohol. This policy will help the grape growers, the fine wine producers and the beer makers, including the microbrewers of Ontario. It will give the consumer greater access to his or her choice.

There is a very big difference between consumption and abuse. They are two different dossiers, and a lot of people have tried to confuse them. In the vast majority, the consumers of Ontario know the difference. If any members make allegations that the majority of Ontarians cannot make that distinction, it will be a sad statement on their part.

I have worked hard for many years to help develop the economics of Prescott-Russell. We have helped create the Prescott-Russell Economic Development Committee and the Prescott and Russell Tourism Association. We know that if a government is the least bit serious about helping the local economy, it must help the small, independent grocery-business owners. They can spread the wealth and benefits so that the Ontario economy can be helped on a small scale. If we are serious, it is behind the small, independent business owner that we will do this.

We can answer many of the real fears expressed by Ontarians; I think we have addressed them. For the opposition members to claim that this government did not do a serious study of all the benefits and the downsides of this is ludicrous.

Mr. Wildman: What are the downsides from the government's point of view?

Mr. Poirier: It has been very honest. It has been very complete. The government has consulted with the Alcoholism and Drug Addiction Research Foundation. We know 46 of the 50 states and the provinces to the east and west of us

have gone in this direction. I am convinced that making Canadian beer and wine available in the small, independent grocery stores will not hamper and change the pattern of consumption in Ontario.

So far, we have listened to some doomsday merchants of false fears. They are definitely not independent merchants; they seem to be having a chain reaction to this. Regardless, this government said before it became the government that it would make this change, and the people across Ontario are telling me they have respect for this government because it is carrying out its promises. That is one way the government can earn the respect of Ontarians. They are ready for this. We in Prescott-Russell have shown it can be done, and I am certain it can be done across Ontario just as easily.

Nous avons reçu un appui très intéressant de part et d'autre, de la Fédération canadienne de l'entreprise indépendante et de la Fédération canadienne des épiciers indépendants. C'est clair: ces gens-là ont compris le besoin, la capacité de la société actuelle en Ontario de pouvoir gérer et consommer d'une façon raisonnable, et ce gouvernement-ci est prêt à voir à ce que l'application de la loi se fasse d'une façon claire, nette, précise et très sérieuse.

17:30

Les épiciers et les dépanneurs indépendants sont aussi bien capables de surveiller l'application de la loi à la lettre que tous les honorables travailleurs dans les magasins d'alcools et les magasins de bières de l'Ontario, pour qui j'ai un immense respect et qui font un excellent travail.

Mon collègue l'a bien dit: ensemble, on est capable d'y voir et j'invite tous mes collègues de l'Assemblée législative à appuyer un des projets de loi les plus raisonnables de ce gouvernement-ci, qui ne l'a pas pris à la légère. Personnellement, je ne le prends pas à la légère et j'ai l'appui massif des électeurs et électrices de Prescott-Russell. Donc, à bon entendeur, salut, Monsieur le Président. Je vous remercie et je remercie mes collègues.

Mr. Wildman: I would like to make one brief comment. I listened with interest to my friend from the Ottawa Valley and I am concerned about the situation facing entrepreneurs who are in areas bordering on the United States. However, it seems to me the problems being faced with regard to the sale of alcohol are much greater for the tavern owners than for the retailers, and there is nothing in this bill that will respond to that.

As the member for Lake Nipigon (Mr. Pouliot) indicated, as a northerner, I am very concerned that this kind of legislation will bring an end to something it took us many years to achieve in the north, that is, one-price beer.

Not too many years ago we used to pay about five cents more per pint than they did in southern Ontario, and it was only by government edict that this was changed. Would that the government would do the same for milk and gasoline, but I digress. If this government is really interested in keeping its promises, why on earth does it not do something about the price of gasoline in the north and leave the price of beer alone?

M. Pouliot: Monsieur le Président, vous comprendrez bien que c'est assez difficile, quand on parle pendant quelques minutes seulement, d'essayer de répondre à un discours aussi rempli de préjugés, si passionné. Mais quand même, il l'a choisi parce que ça lui plaisait, parce que ça faisait son affaire—je parle ici, bien sûr, du député de Prescott-Russell (M. Poirier)—de parler de la différence des prix qui existent entre le Nord et le Sud de l'Ontario.

Il faut quand même se rendre compte que l'exemple du projet de loi, qui est sans doute voué à un échec certain parce qu'encore une fois, la voix de la raison et le nombre des membres de l'opposition combinés donneront son destin au projet de loi, un projet de loi si néfaste qu'il est voué à l'échec, et on en fera une certitude très bientôt.

Mais qu'on me permette, dans la minute qui me reste, de souligner, au profit du député de Prescott-Russell, ce qui se produit dans la province de Québec, parce que ce qu'on a fait ici, c'est ni plus ni moins que de copier ce qui se produit chez les petits grossistes, les petits dépanneurs, les petites épiceries de la province de Québec.

Dans la région de Montréal, une caisse de 24 bières est \$16.25, tandis qu'à Sept-Îles, elle est \$13.75. La circonscription que je représente est de 1,100 milles de long sur 700 milles de large, 114,000 milles carrés, et constitue 29 pour cent du territoire ontarien. Enfin, un produit où on a pas discriminé contre les gens du Nord. On ne se plaint jamais de l'accessibilité; on ne se plaint jamais de l'uniformité des prix en ce qui concerne la bière.

Au point de vue de la moralité de la chose, nous croyons que ce sera néfaste pour nos jeunes que de leur offrir un produit qui n'est ni plus ni moins qu'un appel à la table du péché. Ce sont des gens comme ça qui sont coupables; ce sont des gens comme ça qui ne seront pas visés, parce

qu'encore une fois, le projet de loi est voué à l'échec.

M. Poirier: Il y a deux points à souligner. Premièrement, on a soulevé la possibilité de ventes aux jeunes. Je dois répondre que ceux qui sont en âge légal de pouvoir acheter et consommer de l'alcool, de la bière, du vin, présentement, pourront le faire soit dans un magasin d'alcools ou dans un magasin de bières, soit chez un dépanneur indépendant, un petit indépendant. Donc, où est la différence? On est en âge légal ou on ne l'est pas.

L'autre point: les consommateurs qui sont habitués à se rendre chez le dépanneur comprennent qu'il y a un prix à payer pour la facilité d'avoir accès au dépanneur, et si ça se traduit, au choix du propriétaire du dépanneur d'augmenter ses prix au-delà de ceux établis à l'échelle de l'Ontario, il sera libre de le faire. S'il veut vendre sa bière et son vin aux mêmes prix que dans les magasins d'alcools et de bières, il sera libre de le faire.

Donc, voilà la réponse. Moi, quand je me rends chez le dépanneur, je suis prêt à payer le prix pour la facilité d'accès. Donc, la réponse est très claire. Je ne partage pas les inquiétudes que mes deux honorables collègues ont avancées et je crois pleinement en le projet de loi 134.

Mr. J. M. Johnson: I am opposed to the legislation. I intend to speak against it and also to vote against it for many reasons. I will try to express some of them in my talk today.

I will start with the latest report from the Alcoholism and Drug Addiction Research Foundation and quote Dr. Joan Marshman, president: "Research clearly shows that the number of problems resulting from alcohol consumption in the community is directly related to alcohol availability. We know that this is affected by the real price of alcoholic beverages, hours and conditions of sale and the number of outlets, and these factors are controlled by the Ontario Liquor Licence Act and the minister."

We all have a responsibility to represent our constituents and to try to express their views on issues such as this. I respect the member for Prescott-Russell (Mr. Poirier) for expressing his views on behalf of his constituents and I share some of the concerns he expresses in relation to the Quebec border and the American border. I also share the concerns expressed by some of the other members in relation to the problems that hotel and tavern owners have with competition at the present time and in relation to the future problems they will have if corner milk stores are allowed to sell alcohol.

I refer to my constituents and my concern for this legislation. I feel it will have a detrimental effect on the social and family life of the good people I have the honour to represent in Wellington-Dufferin-Peel. I will make reference to four surveys in four distinct parts of this province.

In the questionnaire I sent out some time ago, I asked the question: "Should the province of Ontario permit the sale of beer and wine in grocery or convenience stores?" In reply, I received 547 saying yes, 952 saying no and 72 undecided out of a total of 1,571, which is fairly high for a questionnaire. They were nearly two to one opposed to the sale of beer and wine in grocery or convenience stores. That was in Wellington-Dufferin-Peel.

In his riding, the member for Lincoln (Mr. Andrewes) asked the question, "Would you favour expanding the sale of beer and wine through corner stores only?" It was yes, nine per cent; no, 91 per cent. He went on to ask, "Do you favour selling it in all retail grocery stores?" It was yes, 25 per cent; no, 75 per cent. That was nine to one and three to one.

In the city of Toronto in her riding, the member for York Mills (Miss Stephenson) asked the question, "Should alcoholic beverages be sold at the local grocery stores?" It was yes, 32 per cent; no, 64 per cent; no opinion, 3.4 per cent. Again, it was two to one opposed to the sale of beer and wine in grocery stores.

17:40

Further, CFPL-TV London did a survey: "Do you favour the sale of beer and wine at the corner store?" The response was: yes, 213 calls, 27.5 per cent; no, 561 calls, 72.5 per cent; total, 774 calls. By the way, the individuals had to pay 50 cents to register their opinion, and they were opposed nearly three to one to the sale of beer and wine. Thus, it depends on the part of the province one comes from whether people are in favour of or opposed to the sale of beer and wine.

I have had numerous letters, phone calls and personal conversations with hundreds of my constituents. Some support the legislation. Some support the idea that changes are needed in our present liquor licensing. The vast majority, however, do not support the proposal that beer and wine should be sold in grocery stores, and some feel the liquor laws are too liberal now. Many teachers, ministers, priests and police officers have expressed their deep concern that this type of legislation might become law.

I would like to mention the legal challenges that the Liquor Control Board of Ontario issues

each year to its customers. There are something like 414,000 challenges each year to customers of the LCBO, most asking for age and identification, and some based on the apparent ability to consume more alcohol if they do sell it. They turn thousands away every year because they do not feel they meet adequate tests of who will be allowed to be served alcohol.

My brother-in-law was the manager of a liquor store in a small town. He has told me of numerous incidents where young people have tried to buy alcohol or have had older people try to buy it for them. It is the experience in small towns that they realize who the culprits are and they are able to avoid serving them, but that is something that will not occur if we remove the control from the LCBO.

There is no profit motive for employees at the LCBO. They receive the same wages whether they sell a bottle of booze or not. It will not be the same if it is put into grocery stores. It is not that the retailer will make that much money on the sale of a six-pack of beer or a bottle of wine, but if a customer comes up to him with \$30, \$40 or \$50 worth of groceries and a couple of packs of beer and says he wants both items or neither, we will find that in some cases there will be quite a degree of temptation for a grocer to sell the whole package. Maybe not, but my problem would be that with so many thousands of retailers selling, there has to be the odd case where this will happen.

I have a concern with the number of outlets in a town. The town of Fergus is in my riding. There are at least a dozen stores that should be able to qualify to sell beer and wine. Are we going to license a dozen stores in a small community of 6,000 or 7,000 people? What about the likes of Zehrs, which sent in a letter asking the minister to give consideration to allowing beer and wine to be sold in all grocery stores, not just a select few? This creates a problem that the minister will have to address. Who will receive licences in the smaller communities or, indeed, in any community? Who will be denied the licences? Who will make the decisions? What pressures are we exerting on the corner stores that do not wish to sell beer and wine?

Many of the small retail grocery stores in my riding have told me they do not want to have the opportunity to sell beer and wine, but they are concerned about the competition if some of their competitors start to sell it. They have a very narrow margin of profit as it is. If they do not enter into an agreement to sell beer and wine and their competitors do, then they are at a disadvan-

tage. They will be forced into a situation in which they are not interested in becoming involved at present.

Many economic implications would arise if alcohol were made available in grocery stores. There is the problem of the legal age of 18, with young people dispensing alcohol. Under this age, they would be prohibited from selling beer and wine in the corner stores or the grocery stores. This would affect their employment. It is easy for the minister to say it would not be a problem. I guess if one has enough employees it would not be a problem, but in many of the small rural communities where there are family-operated stores, it could be a problem.

Many of the stores have only one or two employees. Usually, they are family operated and a mother and father and a couple of the younger teenagers run the store. At noon hours and times when parents are away, the younger people have to look after the store. If a customer walks into a store, buys some groceries and picks up a bottle of wine, and then a retailer has to refuse to sell it because he or she is under age, this will create a problem. Customers will be very dissatisfied with this type of operation and will likely go to the larger store that can accommodate them.

I see the Minister of Health (Mr. Elston) is nodding his head in agreement and I am sure that having several small communities in his riding, places such as Wingham, he senses the concerns I am raising.

What about peer pressure? A young person of 19 years of age could have a problem if several 18-year-old colleagues want to buy some beer and wine. It is going to be extremely difficult for that individual to refuse to sell it to his younger colleagues. This again is a problem that LCBO employees do not have.

Under Bill 134, stores would be allowed to sell only six-packs of beer and certain Ontario wines. This is not going to satisfy the beer drinkers or the wine connoisseurs. Wine drinkers will want a better selection than the few wines that the average store will be able to carry. Beer drinkers will not relish the idea of paying higher prices for six-packs of beer. If they are heavy beer drinkers they will go for the 24-packs and buy them at the LCBO or the Brewers' Retail.

I would be concerned that convenience stores would serve a useful purpose for some for reasons that I do not consider would be of benefit to our society. These stores would provide a six-pack for the driver who has left the local pub and wants a beer or two on the way home. They

would also provide access to underage drinkers, and the clerks of these stores would not have the expertise, training or knowledge efficiently to screen out these young people as LCBO employees would have, as I have mentioned.

I have had some complaints about some of the LCBO employees selling alcohol to young people who are under the legal drinking age. I remember an instance in one of my communities of a young lad celebrating his 16th birthday. He went down to the liquor store and bought a bottle of alcohol, celebrated over the lunch hour and passed out in school in the afternoon. The teacher was a little perplexed. If this can happen now, what will happen under the new liberal laws?

I would like to turn now to the government's cop-out in not having the courage to make the legislation province-wide. It is now sloughing off the responsibility of deciding whether the sale of beer and wine should be permitted in local corner stores. It is sloughing it off to the municipal councils. The government should take the heat and not pass it off to some other level of government.

17:50

On September 2, I issued the following press release, which I would like to read into the record:

"On June 5, 1986, I wrote to all the municipal councils in Wellington-Dufferin-Peel requesting their comments on the government's proposal to delegate to the municipalities the responsibility of deciding whether or not the sale of beer and wine should be permitted in their local corner stores.

"I received replies from 20 of the 21 municipalities. Of these, 16 are opposed to the proposal, three are in favour and one is undecided until it receives further information, which I assume will come from the tabling of the legislation."

As the minister well knows, at the recent convention of the Association of Municipalities of Ontario, the membership voted overwhelmingly against the proposal.

Having served several months on the all-party select committee on highway safety of a few years ago, there is no question in my mind that increasing the availability of alcohol would defeat the purpose of legislation against impaired driving. It would also make it difficult to rationalize the objectives of the present and past governments to crack down on this serious social problem.

Very few people besides the Liberal government members believe increased consumption will not lead to increased social problems,

especially in the area of drinking and driving and increased fatalities, especially in the younger generation. The government believes it will be creating thousands of jobs. They can only be through increased sales and more consumption of alcohol and, therefore, more social problems.

I would like to read into the record two letters that highlight my concerns. One is in reply to a questionnaire that was sent out. It is from a lady who says:

"I have worked in hospitals. One of them was Homewood Sanatorium in Guelph. Many bright young people I went to school with were in these facilities because of the availability of alcohol and the peer pressure to go along with what they thought was just having a good time.

"Their lives may be permanently affected. It appears that alcohol abuse gets worse with each generation. What one generation allows in moderation, the next generation allows in excess. Why then should we make it so acceptable and available to anyone, and how will this issue improve living conditions for Ontarians?"

The second letter is addressed to the Minister of Consumer and Commercial Relations from the Rev. Rutledge, pastor of Queensway Cathedral. He states that he is deeply disturbed that the government is promoting legislation to allow the sale of beer in corner stores. He writes:

"As the pastor of a congregation of 2,000-plus people, I see at first hand the heartache and misery that beer and alcohol cause. In the light of the following 1980 statistics by the Alcoholism and Drug Addiction Research Foundation, how can you intelligently consider making beer more easily available?"

He goes on to say that one in 10 deaths is linked to alcohol, 2,200 of them by cirrhosis of the liver; 5,554 by car accidents, falls, burns, drownings and suicides; and 10,300 from causes ranging from heart attacks to other problems.

He also cites the Quebec Ministry of Health and Social Services pamphlet entitled, *Drinking and Driving—It is Criminal*, which states that 30 per cent of the serious injuries and 50 per cent of the deaths that result from motor vehicle accidents are related to drunk driving.

Alcohol is present in 33 per cent of murders, 38 per cent of attempted murders, 54 per cent of homicides, 39 per cent of rapes, 42 per cent of

sexual abuses, 61 per cent of criminal assaults and 25 per cent of attempted suicides.

He goes on to say: "Considering the above, on what basis does the government want to make beer and alcohol more accessible? The purpose or function of good government is to support and pass legislation which contributes to the public good. Legislation to make beer and alcohol more accessible does not serve this purpose. I implore you to reconsider. My mother was killed in a traffic accident, when I was a teenager, by a drunken driver in another car." This is a direct quotation from the Rev. Rutledge.

I urge the minister to reconsider his decision and to give consideration to the many concerns expressed by my constituents and those of this province who do not want to see beer and wine in the corner grocery stores.

The Acting Speaker (Mr. Morin): Are there any questions or comments?

On motion by Hon. Mr. Nixon, the debate was adjourned.

Hon. Mr. Nixon: Mr. Speaker, I request unanimous consent of the House to revert to committee reports to hear a New Democratic Party report.

The Acting Speaker: Is there unanimous consent to revert to reports by committees?

Agreed to.

Mr. Allen: I would not exactly call it an NDP report. It came from a very balanced committee which gave at least some attention to this bill.

REPORT BY COMMITTEE

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Allen from the standing committee on social development presented the following report and moved its adoption:

Your committee begs to report the following bill as amended:

Bill 129, An Act to amalgamate Toronto General Hospital and Toronto Western Hospital.

Motion agreed to.

Bill ordered for third reading.

The House adjourned at 5:58 p.m.

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No. 56

Hansard

Official Report of Debates

Legislative Assembly of Ontario

A red circular stamp is visible in the background, partially obscured by the text. It appears to be a library or archival stamp, with some text that is difficult to read but seems to include "LIBRARY" and "1986".

Second Session, 33rd Parliament

Wednesday, October 29, 1986

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, October 29, 1986

The House met at 1:30 p.m.

Prayers.

MEMBERS' STATEMENTS

WHIRLPOOL STANDARDS

Mr. O'Connor: I draw to the attention of the Minister of Consumer and Commercial Relations (Mr. Kwinter) a very serious omission in existing legislation that has resulted in a most tragic death in an Oakville family. There is no provision whatsoever for safety or maintenance standards for commercial or home whirlpools in Ontario, although it is estimated that some 10,000 Ontarians use them on a regular basis.

This lack of standards has resulted in the death of Gregory Racette, an 11-year-old Oakville boy. Evidence at the coroner's inquest showed that at the Ontario Racquet Club whirlpool, the screws holding down the drain cover had corroded away some four years ago and were never replaced. The cover easily came off, allowing the boy's foot and leg to be sucked into the drain and causing him to be pulled underwater and drowned. The pressure at the outlet was more than 400 pounds per square inch. Greg Racette did not have a chance. For the outlay of \$1.98, the cost of the four screws, he would be alive today.

As legislators, we have an obligation to ensure that this type of tragedy does not recur. If the prevention of one more death is any comfort to my constituents, Mr. and Mrs. Gaetan Racette, then let us show them by our actions that their son did not die in vain.

LEAD LEVELS

Mr. McClellan: I have a number of documents I have brought in from my files that I would like to share briefly with members of the House. The first is the latest report on lead contamination of soil in the vicinity of Toronto Refiners and Smelters in the south end of Bellwoods riding.

I also have my files on the matters that were opened on December 2, 1976. Members with long memories will recall that there was a soil removal program in 1976 and 1977 in the vicinity of Toronto Refiners and Smelters, and we were

assured by the ministry that control orders had ended lead contamination of our residential neighbourhoods.

In August 1985, the Ministry of the Environment refused to answer questions about lead soil contamination in the neighbourhood on the grounds that staff members planned to be away on vacation and were unable to devote the time to do that. Staff members have shown up at meetings in our neighbourhood and told residents there is no safety problem and no lead soil contamination in our neighbourhood from Toronto Refiners and Smelters as recently as October 1984, and repeated it in correspondence from the ministry as recently as April 1985.

This report shows those statements were lies. We were lied to by officials of the Ministry of the Environment in correspondence and in public meetings. I expect the Minister of the Environment (Mr. Bradley) to explain to the House why his officials deliberately misled people in our community.

ADOPT-A-SCHOOL PROGRAM

Ms. E. J. Smith: I wish today to draw the attention of this House to a very excellent program currently in place in London. Under the auspices of the chamber of commerce, London has entered into a program called Adopt a School. In this program, 16 major corporations in London have adopted the 16 high schools. During the course of the year, the corporations will work with the high schools to show them how the business operates, by bringing them into the business atmosphere and by sending people from the company to speak to the various classes in the schools at the various levels of involvement.

This is the first time in North America this program has started in a city with the whole city participating, all 16 high schools. We look forward to it being extremely successful. At this time, when it is so difficult and so much effort is being made to involve the educational system in business needs and standards and also to involve business in the course of what is going on in the educational system, it is felt very strongly that this two-way communication will be beneficial to both the students and the companies involved.

ELEVATOR LICENCES

Mr. Rowe: I wish to bring to the attention of the Minister of Consumer and Commercial Relations (Mr. Kwinter) an important matter. This may be an elevating or uplifting bit of information for the minister. I will just jog his memory about how quickly after his appointment he equipped all elevators at Queen's Park and other buildings around the province with licences bearing his signature.

The minister must surely be surprised and shocked, as I was, to realize the licences for various elevators in the provincial government building we are currently in are all outdated. They expired in April 1986. Need I remind the minister to get his house in order before he has inspectors chasing down delinquent owners of elevating devices throughout Ontario?

OCCUPATIONAL HEALTH AND SAFETY

Ms. Gigantes: My colleague the member for Sudbury East (Mr. Martel) refers to the Ministry of Labour as the swamp. I would like to let members know how the swamp works as it affects workers in Ottawa-Carleton. I asked the Minister of Labour (Mr. Wrye) eight days ago to report on the fact that a report from the Ottawa-Carleton district of his ministry, outlining to his legal branch the reasons there should be legal action taken in the case of an injury of a worker involved in cleanup at the Lees Avenue coal-tar site, has disappeared in the ministry.

It was shipped to the ministry legal branch in July 1986 and for three months it has not surfaced again. I asked the minister about this question in the House a week ago. What he provided me with a few days later was a letter of almost three pages, in which he briefly referred to the question I asked. He wrote: "I am further advised that this information was not provided"—this is the information concerning the safety hazard—"to the union or to the joint health and safety committee as a whole until May 27," which was several days after the incident. "This matter has been referred to the legal services branch of the ministry for consideration."

I asked where the report was. I get a letter back that does not even deal with where the report was. The report has disappeared.

HOSPITAL FUNDING

Mr. Offer: I would like to take this opportunity to inform the House of a grant by the Ministry of Health in the amount of \$1.5 million to the city of Mississauga and the Mississauga Hospital for the phasing in of a neurological centre. Some

minor surgery is now being performed at the hospital, but most patients needing this service must travel to Toronto or Hamilton.

The new unit of the Mississauga Hospital will accommodate up to 1,200 patients a year from the area. In addition, the hospital is expected to hire approximately 30 to 40 additional staff members for the service, including nurses and other health care professionals. The hospital will assign 30 of its existing beds and one of its eight operating rooms to establish this neurological unit.

In conjunction with this grant, a fund-raising campaign has been launched by the people of Mississauga to match dollar for dollar what has been given by the Ministry of Health. I congratulate not only the Minister of Health (Mr. Elston) and the ministry but also the people of Mississauga for their initiative, determination and commitment to making certain this very vital service will be found within Mississauga.

REMEMBRANCE DAY

Mr. Hennessy: I am speaking on behalf of the Royal Canadian Legion, Branch 6, which has been refused permission by Brewers' Retail to place its poppies in the Brewers' Retail outlets in Thunder Bay.

In 12 days, communities across Ontario will be pausing to remember the men and women who served Canada so proudly in two global conflicts. Remembrance Day is the only occasion veterans have to remind the community of their sacrifice and of their continuing needs. Remembrance Day is a special time. That is why I am surprised and indignant to learn that veterans of the city of Thunder Bay are not allowed to place collection boxes for the sale of poppies in local Brewers' Retail outlets this year.

The sale of poppies is of great significance. Not only are the funds raised important for the great work of the legion, but also the sale of poppies provides an important symbol for all the people that we remember and appreciate the heroism of two generations who fought to preserve freedom here in Canada and elsewhere in the world.

While I can understand the concern of Brewers' Warehousing managers not to clutter their outlets with collection boxes, I believe we should give a special place to the veterans in the weeks leading up to Remembrance Day. Brewers' Retail stores should not forget. They should provide the space for collection boxes for RCL Branch 6 of the city of Thunder Bay.

13:42

STATEMENTS BY THE MINISTRY AND RESPONSES

CORRECTIONAL PROGRAMS

Hon. Mr. Keyes: I would like to report to the House today on the progress of the Ministry of Correctional Services in developing what is recognized to be one of the most essential aspects of correctional programming, that of clinical treatment and rehabilitation of offenders.

During the past 12 months, the ministry has completed an extensive review of its mandate, structure and strategic directions. The results of that review are contained in a detailed corporate plan, which sets out a number of new directions for the development of correctional programs, both in institutions and in the community.

We are projecting significant growth in ministry operations over the next 10 years, not only in the number of offenders we expect to come into our care but also in the number and variety of programs we have developed to handle the projected increase in our case load.

During the ministry's analysis of its role and function in society, it identified some sobering facts about some of its client population. Specifically, on a typical day in the early spring of 1986, the ministry had under its care and control 959 adult inmates, or 15 per cent of its total inmate population, who had psychiatric, psychological and/or behavioural disorders that required some form of treatment. Added to these were another 148 adults who were determined to be suffering from a degree of mental retardation which would require a certain level of specialized care.

In developing our new directions for the ministry, we have been mindful of the needs of these groups, not only for their own wellbeing but also in the long-term best interest of the communities from which they come and to which they will all eventually return.

I am pleased to announce four major initiatives that will have significant impact on our ability to effect meaningful treatment measures with that portion of our client group in need of such services.

First among these initiatives will be some organizational remodelling reflecting the ministry's need for clinical leadership and supervision in the area of treatment.

Second is the proposed expansion of our network of fee-for-service contracts with consulting psychiatrists.

Third is the near-term planning for the establishment of additional treatment beds and a range of community treatment programs designed to serve the needs of offenders throughout all regions of the province.

Fourth is the immediate implementation of a major treatment capability in eastern Ontario.

The ministry currently maintains three provincial treatment facilities—the 220-bed Ontario Correctional Institute at Brampton, the 50-bed Guelph Assessment and Treatment Centre and a maximum security treatment unit at the Millbrook Correctional Centre near Peterborough—for inmates who exhibit extreme behavioural problems or present a security risk.

These three institutions are at present funded at a total annual operating budget of just under \$12 million. Added to these are current fee-for-service contracts with consulting psychiatrists, psychologists, social workers and other ministry clinical service professionals, having a total annual budget of more than \$2 million. We are now spending just slightly less than \$14 million for treatment services.

I am pleased to announce today that the ministry is expanding its annual resource funding for treatment programs by nearly 30 per cent, or approximately \$3.8 million, to a total annual operating budget of \$17,634,000.

This will involve, first, the establishment of two new clinical supervisory positions—chief of social work services and chief of psychological services—at the ministry's head office in Scarborough. Working closely with the chief of medical and psychiatric services, these two clinical positions will spearhead the continued development of treatment services in the ministry.

Second, to support the treatment capability offered directly by the ministry, we are increasing the number and extent of fee-for-service contracts with consulting psychiatrists. The value of agreements established for both institutional and community-based services located throughout 16 operating areas of the province will be increased from \$497,000 to \$875,000 per year.

Third, I wish to report that continuing discussions are taking place with the regional municipality of Sudbury regarding the possible establishment of a northern treatment centre to serve the needs of the northern part of the province. I hope to be able to provide more details on this new treatment centre, as well as a number of other treatment programs, in the next few months.

Fourth and finally, I am pleased to report that tomorrow I will be joining with officials of the Ministry of Government Services in opening the Rideau Treatment Centre, located on the grounds of the Rideau Correctional Centre at Burritts Rapids, Ontario.

The Rideau Treatment Centre will provide 84 beds for the assessment and treatment of those with psychiatric, psychological and behavioural disorders. Rideau and the other programs that will follow in other areas of the province will serve as focal points for therapeutic communities capable of serving inmates as well as those under the ministry's supervision in the community.

Our considerable efforts at upgrading treatment services are guided exclusively by the obvious and pressing needs of the many people under the ministry's care whose conflict with the law may very often be the result of psychological or psychiatric impairment. The measures we are announcing today are fully consistent with the ministry's goal of providing rehabilitative opportunities that can enable those who come into our supervision to be integrated or reintegrated into society as productive, law-abiding citizens.

Mr. Sterling: I would like to respond to the minister in his position as the Minister of Correctional Services. I want to congratulate him on agreeing to come to my riding tomorrow afternoon to open the Rideau Treatment Centre at Burritts Rapids. It was a pleasure to be a minister of the Progressive Conservative government that initiated this project, and when we open this very substantial institution—with the jobs that will be spinning off—I am certain the minister will be mentioning my involvement in the building.

While we look forward to these initiatives, we are still concerned about the tremendous overcrowding that exists in the many correctional institutions run by this province across Ontario. While these measures are window-dressing, the government is still not addressing the basic problem of overcrowding in our institutions.

Mr. R. F. Johnston: I too am glad to see that finally there is a recognition of the need for clinical services in our correctional institutions. I am very concerned that the response to those who are mentally retarded and developmentally handicapped in the institutions is inappropriate and ill focused in this report.

There are no definite programs put forward to look after those 148 individuals who are said to require certain specialized care. There is only talk about psychological assistance and assessment. This is usually totally inappropriate for the developmentally handicapped.

For years I have been raising the issue of the inappropriate placement of mentally handicapped people in these institutions and the requirement that we have a completely different way of dealing with mentally handicapped offenders. It is not just a matter of providing a few local services to those institutions, especially by people who do not have expertise in the developmental handicap, but it is a matter of getting those people out of those institutions and into appropriate placements for people with mental handicaps.

CRIME PREVENTION WEEK

Hon. Mr. Keyes: I am sure all honourable members will be interested to know that next week is Crime Prevention Week in Ontario and that it will be marked by a number of special activities across the province. Crime Prevention Week was established as a testimonial to police forces and to members of the public who have a common cause, namely, making the province a safer place for all of us.

The results of this initiative have been impressive. A productive dialogue has been developing between police and civilians dedicated to reducing the rate of crime in their communities. Neighbourhood Watch programs are operating in more and more communities across Ontario. Citizens' organizations are playing vital roles in the campaign against drinking and driving. Groups such as Child Find and Block Parents are organizing to protect our children. The private sector and service clubs have, on many occasions, extended a helping hand to worthwhile programs on many occasions. The people of Ontario are getting involved, and we are reaping the benefits of this collective effort.

Next week, I will be visiting communities across the province to acknowledge the contribution of both the police and the public in this cause. My ministry will be presenting more than 200 people and organizations with the Solicitor General's Crime Prevention Awards, a recognition by this government of leadership and achievement in the field of crime prevention. The awards will be presented at seminars on crime prevention in Brockville, Trenton, Sudbury, Sault Ste. Marie, Fort Frances, Windsor, St. Thomas, Simcoe and Richmond Hill.

I believe the local police chiefs have already invited many members of this House to attend the seminars in their respective areas. I urge those members to accept those invitations. The success of this program is in no small part due to

teamwork among all parts of the community. We are all part of the team.

Mr. Sterling: I would like to comment briefly on the Solicitor General's announcement of Crime Prevention Week. I welcome this initiative by the Solicitor General. We recognize this is needed each year to remind our citizenry of its involvement in the whole area of crime prevention. When the previous government had a Provincial Secretary for Justice, a position I held, I instituted the first Justice Week. I believe Crime Prevention Week is a child of that initiative.

At that time, I suggested it was very important to get all the different people involved with the justice system and the social system into the same discussion to make our justice system and the rehabilitation part of the system work more smoothly. Therefore, I as an MPP and each member of the PC caucus will be supporting any endeavour the government takes in Crime Prevention Week next week.

Mr. Harris: I am pleased to respond briefly to the two statements made by the Solicitor General today, perhaps to what is not in his statements as much as to what is in them. There is no discussion of the funds to be forwarded to police forces across this province. There is no discussion about providing adequate services to our police forces so they can competently do the job of crime prevention.

The only thing I have seen the Solicitor General do in the past year and a half is follow up on the suggestions of my colleague the member for Carleton-Grenville (Mr. Sterling), and he has completed that one project that was started by my colleague from Carleton-Grenville. In the past year and a half, perhaps he has been too busy replacing all the police commissions in the province with his Liberal crony patronage appointments. If he spent more time worrying about his ministry instead of that, perhaps we would get something done.

Ms. Bryden: I commend the Minister of Correctional Services for supporting crime prevention measures during Crime Prevention Week. The measures he mentions are among the ones for which we have been pressing for a great number of years: support of Neighbourhood Watch and Block Parent programs and intensified programs to meet the serious problems arising from drinking and driving, a growing problem.

I also welcome the minister's announcement of additional treatment centres in correctional institutions. The present overcrowding in these institutions has intensified the need for this kind

of service, and there is a growing diversity of problems coming into the institutions, in both the medical and psychiatric fields.

One thing the minister has not mentioned is how he is going to provide the employees with information on how to deal with inmates who have serious medical and psychological problems and how the employees can be protected from any possible infection or dangers from the illnesses that are being recognized as rather prevalent in some of our institutions.

Also, the minister should include in his program of health care some education on the hazards of smoking, so that those who come into the institutions are aware of the dangers of continuing to smoke, a danger not only to themselves but also to those with whom they share the space. We welcome these measures, but we hope they will be adequate to meet the present overcrowded conditions.

13:58

ORAL QUESTIONS

RESIDENTIAL RENT REGULATION LEGISLATION

Mr. Grossman: Today, I thought we would go back to the Minister of Housing. I am once again sending over to the minister a copy of the analysis I sent over yesterday, trusting that perhaps by now Gardner Church has been able to go through Bill 51 with the minister again so he can assure the tenants of this province they will not be facing a 22 to 25 per cent increase as a result of Bill 51.

The minister will recall that yesterday I pointed out to him that a 22 per cent rent increase could result from 5.25 per cent in the guideline rate, five per cent in financing costs, five per cent in capital improvements, two per cent for chronically depressed adjustment and five per cent for equalization payment. I trust the minister will agree that the last two categories, chronically depressed and equalization payments, which allow a seven per cent increase on their own, are not allowed under the current law but would be allowed under Bill 51 and therefore at the very least there will be a seven per cent increase over the base rate in addition to what is being paid today. Will the minister agree with that?

Hon. Mr. Curling: I trust the Leader of the Opposition knows that buildings built after 1976 are not under the rent review regulations now. There are increases in excess of 20 per cent, which is a worse case now. I want to inform the member of that. Bill 51 will bring much more savings to the tenants than the previous bills.

Mr. Grossman: Not to cut this point too finely, the example I was giving the minister—and he has it before him—is for a building built before 1975. Dealing with a building built before 1975, can the minister explain which of the five rental adjustments, all of which I suggest are permitted under Bill 51, will not apply? If he cannot answer that question, then he must acknowledge that the rents in the pre-1975 buildings could go up by as much as 22.25 per cent in the example I have offered.

Hon. Mr. Curling: Let me point out again to the Leader of the Opposition that Bill 51 includes those buildings that were built after 1975.

Mr. D. S. Cooke: We know that; that was in the accord.

Hon. Mr. Curling: The member who interjected may know that, but he may not understand what it means.

I was trying to say to the Leader of the Opposition that more tenants are protected now under Bill 51. On average, tenants will receive far lower increases.

The case the member puts forward is quite inaccurate. He is saying that if someone comes before the board, all these things will be given. I said all these things will be taken into consideration. I answered the member yesterday, and I told him all these situations will be taken into consideration under Bill 51.

Mr. Grossman: The minister may be surprised to hear this, but we do know that the post-1975 buildings are included under the legislation. We want to assure the tenants of pre-1975 buildings that their rents will not skyrocket as a result of this legislation.

The minister is trying to pretend that these things may be given by the board. Will the minister not agree that under his legislation it is not a matter of “may”? Under his legislation, if a landlord can satisfy these five headings, he has a right to and will be given these increases amounting to 22 per cent if he can just file the appropriate information. Either he has the right to do that under Bill 51 or he does not. Which is it?

Hon. Mr. Curling: Again the honourable member has given us a hypothetical situation. In the first instance, he talks about a chronically depressed rent of \$500. We have not seen chronically depressed rents of \$500 per month. Immediately, the example he gives is wrong. Furthermore, he talks about a guideline being given at 5.2 per cent. If one is asking for anything above the guideline, he will not get the guideline;

he will get the guideline minus one per cent. Again the situation the member has given is wrong.

Mr. Grossman: Could the minister send in Gardner Church tomorrow? He will tell the minister, he will tell us and he will tell the House that the minister is absolutely wrong on all the information he has just offered; absolutely wrong.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: I have a question to the minister responsible for fire sales, the Minister of Transportation and Communications. Will the minister begin to fess up today to some of the facts on the sale of the Urban Transportation Development Corp.? Perhaps he could begin by telling us how much the province received on closing of the UTDC sale and how much the province has paid to Lavalin as of October 31.

Hon. Mr. Fulton: The terms of the sale to Lavalin Inc. call for a \$10-million cash payment, of which the Leader of the Opposition is aware, a further \$20-million debenture and a percentage of the profits, which we believe, and Lavalin certainly believes, will be of great benefit to the taxpayers of this province.

Mr. Grossman: The minister did not answer part of the question, namely, how much the province has paid to Lavalin. If the minister's information is right, Lavalin has paid the government \$10 million.

However, as of October 31, pursuant to the documents we finally got from him, the following payments will have been made by the government to Lavalin: a \$2.2-million management fee; \$11 million for overhead costs; a return of Lavalin's deposit, if members can believe that—it is the first time I have ever seen a deal where one gives back the deposit on closing—\$1.5 million for the first year's research and development; \$1.9 million worth of R and D for advanced light rail transit technology; \$660,000 for the buyout of Hawker Siddeley's 20 per cent, and a \$9-million prepayment by GO Transit on the contract.

That means by October 31 the government will have sent payments to Lavalin totalling \$27,348,712 and received in exchange \$10 million from Lavalin.

Mr. Speaker: Question.

Interjections.

Mr. Grossman: It gets worse and not better. Will the minister confirm that this flow of funds is correct?

Hon. Mr. Fulton: The honourable member continues to attempt to answer his own questions. I do not know why he bothers wasting the time of this House asking, only to detail the very answers contained in the documents we have continued to release on the dates they were made available from day one—all the documents relative to the sale, the letters of intent and so on, which contain the information the member just introduced to the House.

Mr. Grossman: Does the minister mean my documents are accurate? Does he mean he has received \$10 million from Lavalin and handed Lavalin a cheque for \$27.3 million?

An hon. member: Let's make a deal.

Mr. Grossman: Do not let him near Minaki.

The minister said he got back a \$20-million debenture. Can he confirm that, as of today's date, the debenture has not been executed or signed? Can he also confirm today that the reason the debenture has not been signed is that he has given Lavalin the right to reduce the amount of the debenture in the event that its tax position is such that it is a taxable benefit to Lavalin, in which case he has agreed to adjust the sale price to pay the tax load to Lavalin?

Hon. Mr. Fulton: I do not confirm the statements made by the Leader of the Opposition. He well knows that the dollars included and the monthly amounts, as previously stated, are the very same; UTDC would in the normal process of doing business have to cover those costs.

AUTOMOBILE INSURANCE

Mr. Rae: I have a question for the Minister of Financial Institutions. There are reports this morning that the minister is producing a plan with respect to changes in car insurance. Such reports in our experience usually stem from an inspired leak of one kind or another, and I just want to find out how inspired the leak was. That is why I am addressing this question to the source of much of the inspiration for the insurance industry, the Minister of Financial Institutions.

14:10

Can the minister confirm that the government is about to introduce a plan that will result in higher benefits to those who are injured in accidents and, at the same time, continue to give the monopoly for the delivery of insurance to the private sector, the private profit insurance companies? Can he tell us how it will be possible to have a higher benefit plan that is paid for by the private profit insurance companies and that, at

the same time, results in substantial savings for Ontario drivers? This is one of the claims contained in the leak of the day.

Hon. Mr. Kwinter: I thank the leader of the third party for the question. He correctly identified it as a leak. It is not something I am prepared to discuss. As a result of Dr. Slater's report, I am looking into the whole area of automobile insurance, as I am looking into all of the other recommendations he made.

Mr. Rae: This is silly. The minister cannot float an idea in the *Toronto Star*, based on a detailed scheme with detailed numbers. We know how that works. We know how the system operates around here and how it has operated for years. He cannot float that kind of scheme—

Hon. Mr. Peterson: Tell me about it, because I do not know.

Mr. Rae: One day we will find out too.

The minister cannot float that kind of information with detailed schemes and then say he is not prepared to discuss it with the House. Is there a scheme that is going to deal with the insurance industry? If not, why is there not such a proposal or some such idea that will deal with the problem facing drivers, the ripoff in the current system? He can have the question both ways: if he is not going to do something, why is he not going to do something?

Hon. Mr. Kwinter: I did not say we were not going to do anything. All I am saying is the purported information in the paper is just that—it is purported. When I am ready to introduce it, I will.

Mr. Rae: There is something strange about the conduct of public business. The minister has had Dr. Slater's report; it has come down, indicating the direction in which he thinks the government should go. The material is being discussed with cabinet, and we now have the issuance of an inspired leak of one kind or another.

Is the minister saying the statement contained in the press today has no substance whatsoever to it?

Hon. Mr. Kwinter: All I am saying to the leader of the third party is that I have no responsibility for what appears in the newspaper. When the time comes, I will bring forward my recommendations.

RENTAL HOUSING LOAN

Mr. Reville: I have a question for the Premier. The Premier boasts loudly and repeatedly about government without walls; yet Huang and

Danczkay, experienced and successful developers in this city, felt they had to hire Ivan Fleischmann, a Liberal lobbyist, in order to get access to a Liberal government program.

Will the Premier now tell this House that all that has really changed in Ontario is the colour of the ties? Is this the kind of stewardship the Premier advocates for the province?

Hon. Mr. Peterson: I say to my honourable friend, Huang and Danczkay are in a position to hire whomever they want, to do whatever they feel is appropriate in the circumstances. I would like to give the member and others the very clear message that no one gets special favour or treatment in any way.

I am familiar with the innuendo the member and others are trying to suggest. I have read about the comments of some, including Dale Martin and others, who would like to impute motive. I guess that is fair pool because motives are being imputed all the time.

I have asked the deputy minister for a complete review of the circumstances. He tells me it was handled in the normal course of events, as are many other applications in similar circumstances.

Interjections.

Mr. Speaker: Order. I am willing to wait until the members are ready to listen.

Mr. Reville: In the careful review of the Premier, he may have come across these other names in addition to Mr. Fleischmann's: David Appel, vice-president of Huang and Danczkay; Bram Appel, director of Harbourfront Corp.; David Greenspan, chairman, Ontario Housing Corp.; June Rowlands, councillor, city of Toronto; and Arthur Eggleton, mayor of the city of Toronto. All of them are Liberals and all of them are connected in some way with the circumstances surrounding this loan.

We have had evidence before the House that Mr. Fleischmann received \$30,000 in lunch money from the public purse to arrange a deal in the Wyda affair. Now we have this situation. Will the Premier not stand before this House and commit his government to bring in legislation to control these finders' fees and to control the lobbyists who, in the last analysis, are being paid with public moneys?

Hon. Mr. Peterson: The honourable member will be aware that most people in the province are Liberals now; so I cannot account for the list he wants to name or names he would like to drag in. I can mention a lot of other names, but I am not sure what that accomplishes. If the member has

some evidence of some special treatment or favour, then he has an obligation to present that. When he makes that kind of an allegation, I am sure he is aware he is alleging some kind of criminal activity.

Mr. Rae: No, he is not.

Hon. Mr. Peterson: The honourable member is quite wrong about that. When he suggests that someone is getting special or preferential treatment because of who he or she is, that is a criminal activity, and he should bring that forward.

Mr. McClellan: Did the Attorney General (Mr. Scott) give the Premier this legal opinion?

Mr. Speaker: Order.

Hon. Mr. Peterson: I have read in the paper some of those names the member mentioned. I presume he suggests that something is untoward or there is some great conspiracy in that particular regard.

I have no idea why Huang and Danczkay hired him or anyone else in the circumstances—I presume it was a free market decision—any more than I have any understanding of why the New Democratic Party has hired Pierre Berton to tell it why the party is not extinct. I cannot explain these decisions made by the member or others, and everyone has the right to make them.

The message is very clear, everywhere in the public service and outside of the public service, that no one has any special privileges. Everyone has the right to speak to his or her government, regardless of political persuasion and regardless of where he or she comes from. Everybody has a right to fair, evenhanded treatment in this government.

Mr. Reville: One would expect a Premier of a province to have a firmer hand on the tiller.

Interjections.

Mr. Speaker: I guess the member does not have a question.

Mr. Reville: I do indeed, Mr. Speaker.

Mr. Speaker: I am sure everyone will pay attention.

Mr. Reville: Under the Ontario rental loan construction program, now defunct, Huang and Danczkay received \$1,413,720, which produced 10 units of rent-geared-to-income housing. In the midst of a housing crisis so deep that the hostels in Metro cannot keep up with demand, how does the Premier dare to continue to squander public money in a way so shameful and in a way that will produce so pitifully small a mitigation of the misery on our streets.

Hon. Mr. Peterson: I gather the member raises another issue, does he? I am not familiar with the facts he raised in this example. I am sure he would be the first to agree that I personally did not review all the applications under the convert-to-rent program; they are handled in a bureaucratic way. The regulations under which they complied were regulations brought in by the previous government, not our government.

I guess the member is critical of the 502 units that are being built. I find that a little strange. He is the first to admit that we have a housing crisis with a shortage of units, but when there is real activity going on, he is the first to stand up and criticize. He cannot have it both ways. Perhaps he revels in misery; I do not know. We are trying to solve the problems and not just sit and yap from the back.

14:20

Mr. Gillies: My question is for the Minister of Housing. It arises directly from the Premier's last statement. We too are interested in how public funds are expended in Ontario in this day and age. Will the minister confirm to the House that Mrs. Paulette Fleischmann, the wife of Ivan Fleischmann, was involved in the organization of two fund-raising dinners for the minister?

Hon. Mr. Curling: I will be glad to answer that. No, she was not involved in two fund-raising dinners for me.

Mr. Gillies: Thank you. We know Mrs. Fleischmann was involved in fund-raising for the minister. If it was not two dinners, can the minister tell us how many it was?

Hon. Mr. Curling: I do not know any Mrs. Paulette Fleischmann anyhow. Go fishing again.

Interjections.

Mr. Speaker: Order. New question. Perhaps everyone will remain silent. I am waiting for a little silence.

Mr. Harris: On a point of order, Mr. Speaker: I wonder whether the Attorney General realizes that while he yells across the floor waiting for the question, the people of Ontario are watching him.

Mr. Davis: Tit for tat.

Mr. Pope: He stood up and mocked us.

Hon. Mr. Scott: I spoke the truth.

Mr. Speaker: Order. Will the honourable member take his seat? That is not a point of order.

Mr. McClellan: Yes, it was.

Mr. Speaker: Order. No, it was not.

Interjections.

Mr. Speaker: Order. I apologize to the member for Lake Nipigon, who I believe wanted to ask a question.

[Later]

Hon. Mr. Curling: I rise on a point of personal explanation. The member for Brantford (Mr. Gillies) asked earlier whether I knew the wife of Ivan Fleischmann and whether she was involved in any fund-raising activities of mine, and I told him no.

I think the honourable member is referring to a Paulette Vassiliou. I asked my staff to check on that, and they told me the member may be referring to a Paulette Vassiliou who was involved in one of my fund-raising activities in 1985.

NATIVE SELF-DETERMINATION

Mr. Pouliot: I have a question for the Premier. I hope the recently baptized chief, Light of the Heavens, can still hear the drums. While we helped to organize the rally for self-determination currently taking place—

Interjections.

Mr. Speaker: Order, the member for York Mills (Miss Stevenson) and the member for Essex South (Mr. Mancini).

Mr. Pouliot: The Premier will be cognizant of the importance of self-determination for our first Canadians. While the Constitution does indeed guarantee the rights of all Canadians, it recognizes and affirms only "existing aboriginal and treaty rights." I am dealing here with subsection 35(1) of the Constitution, and the Premier should feel free to check with the sous-chef to his immediate left.

Will the Premier give this House, and more important our native Canadians, the unqualified commitment and guarantee that he will send a message of support and ask the government of Canada to substitute the word "guarantee" for what now exists in terms of the lack of guarantee in our Constitution under section 35?

Hon. Mr. Peterson: Like the member, I was moved by the rally we participated in today. He will be aware of the things I said as well as of things the Attorney General (Mr. Scott) said and of some of the great progress made in the past year. That is not to say for a moment there is not much more progress to make as well. With respect to the discussions on section 35, they are ongoing. The issue is the word "existing" in the Constitution. I am told by the Attorney General, the responsible minister, that those discussions with his peers are ongoing. It is our intention and

our hope to come to an agreement with the other provinces and the federal government to entrench those aboriginal rights. That is one of the subjects around which the discussions are going at the moment.

Mr. Rae: Can the Premier give us in this House today the guarantee, which will be of great importance to the native people of Ontario, that no change or amendment will be supported by the government of Ontario unless it has the full and complete support of the native community in Ontario?

Hon. Mr. Peterson: I understand the intent of the member's question, but I am not in a position to give him an absolutely bald, flat assurance on that point. I believe we are working very closely on this. As with many other groups in society, there are different points of view, which is understandable in the circumstances, but I think the mode of co-operation we have established is a good one. I believe that the native people in Ontario have seen significant progress and that at this moment they have faith in the Attorney General, who is negotiating on their behalf. I certainly am anxious to represent their interests with a clear voice. I cannot say they will approve of every single point we make, but I think the member will find, when it comes out in the wash, we are speaking on the same wavelength.

TARIFFS ON SOFTWOOD LUMBER

Mr. Bernier: In the absence of the Minister of Industry, Trade and Technology (Mr. O'Neil), I will direct my question to the Minister of Natural Resources. We have just learned today that McKenzie Forest Products has given layoff notices to 44 of its employees at its Hudson operation, that Atikokan Forest Products has given layoff notices to 30 of its employees, that Great West Timber in Thunder Bay has given layoff notices to 49 of its sawmill employees and that Northern Wood Preservers of Thunder Bay has given layoff notices to 49 of its employees.

A total of 172 sawmill workers have been given their layoff notices because of a direct lack of this government's interest and concern, in fact because of its indifference to the recent 15 per cent countervailing duty imposed by United States authorities on softwood entering that country. What is the minister planning to do for these 172 employees and all the other sawmill workers in northern Ontario, who are now facing the prospects of a very bleak Christmas and a jobless winter?

Hon. Mr. Kerrio: This government has made representation across the country to other minis-

tries of forestry and to the federal representatives. It is understood very clearly that the Prime Minister of this country must take action because, as Pat Carney has said, the decision handed down by the Department of Commerce in the United States was grossly unfair and certainly not without influence from the elections there. The member should know a great deal of pressure has to be brought forward by the Prime Minister of this country if we are going to resolve trade problems with the US.

14:30

Mr. Pope: When the minister's provincial policies were under attack in Washington, he failed to be there; he failed to fight for Ontario jobs. Over the past two weeks, we have given him details of layoffs in Chapleau, Timmins, Atikokan and Thunder Bay. What we want to know is not what he is going to do to try to cover his case now, after the fact, in Washington. We want to know what he is going to do for these workers who are out of work. What employment programs is he going to bring in to put them back to work in communities across northern Ontario?

Hon. Mr. Kerrio: This issue, as I have described, was one that this government pursued with vigour. We did attend every meeting we were asked to attend with Pat Carney, Mr. Merrithew, Mr. Kelleher and Mr. Clark. We made good presentations on behalf of Ontario.

As I have said before, the initiative has to be taken by the federal government. We are supporting them every step of the way, and we are doing everything we can do to prove that Ontario is not guilty of any substantial initiatives that would interfere with a fair price for lumber in the US. Unless the initiative is carried forward by the Prime Minister, we in Ontario will not waste our time. We will do everything we can to be helpful.

That is where it is. We are fighting that fight, and we are going to do everything on behalf of Ontario to support the federal government's initiatives in Washington.

ACID RAIN

Mrs. Grier: I would like to ask a question of the Minister of the Environment about his acid rain control program. I had hoped to have had the opportunity to raise these questions in the select committee on the environment, but as that body has never yet met, I would like the minister to comment on the first six-month status report from Ontario Hydro on its progress towards Countdown Acid Rain. Does the minister accept Hydro's contention that by using nuclear power it

can avoid installing scrubbers on its coal-fired plants until the mid-1990s?

Hon. Mr. Bradley: The member will know that when we brought in this program, one of the items I emphasized, which I think is important when we bring in a program of this kind, was that the specific technology not be dictated to any of the people who are involved in the regulations—the four main polluters, for instance—and instead that they employ the technology that they feel is appropriate to abate the sulphur dioxide and reduce the acid rain.

A number of options are available to Hydro. One, of course, which I think the member will agree with, is conservation; that is an important component of it. The second component would have wet scrubbers as one of the options. A third is limestone injection, which is being experimented with at the Lakeshore generating station; the member will be very familiar with that.

The fourth is to purchase lower-sulphur coal, which is available, some of it in western Canada itself. That would probably assist western Canada economically as well as being of some assistance in this regard. A fifth is to look at other fuels that might be available—natural gas, for instance, which might be used. That is one option; I am not saying they will exercise it.

There are a number of options they could exercise—even the purchase of power from Manitoba or Quebec if they wanted to go in that direction. Those are the options available to Hydro.

Mrs. Grier: All the minister has done is to describe the options that were available to Hydro before he announced his program. He has not commented on its predilection for the substitution of nuclear for coal-fired plants, and that is what the question was about.

In 1981, the then Minister of the Environment, Harry Parrott, announced that Hydro would immediately begin retrofitting coal-fired plants with scrubbers. Now Hydro is telling this minister that it requires a 10-year lead time for such a retrofit.

Surely the minister is not going to put up with that kind of delay by Hydro. Is the minister going to allow Hydro to manipulate the Countdown Acid Rain program in such a way that we have to wait 10 years for new technology to avoid emissions from coal-fired generating plants?

[Applause]

Hon. Mr. Bradley: I cannot anticipate what the applause was for, except that I would anticipate the question.

Mr. Mackenzie: Never mind playing games. Just answer the question.

Hon. Mr. Bradley: The member for Hamilton East no doubt has comments to add. I am sure he has concerns about this matter as well.

I can assure the member for Lakeshore, as I did when I announced the acid rain program on December 17, 1985, that all the key players in this are required under the regulation to meet its stipulations. They have to do so within the time frame and the specifics of that regulation, and that is true in this case.

As to the member's question about nuclear power, I can assure her that the acid rain program we have put into effect is not contingent on any particular nuclear capacity of Ontario Hydro. They must simply meet the stipulations of that regulation, and I intend to see that they do that, whether they like it or not.

RECYCLING

Ms. Hart: My question is to the Minister of the Environment. Currently there is a debate going on in my riding, the borough of East York, about recycling. We no longer have recycling pickups in that borough. Can the minister hold out any hope to the people of East York for increased funding for recycling?

Hon. Mr. Bradley: In regard—
Interjections.

Hon. Mr. Bradley: I am sorry. There were several interruptions. I was trying to listen to the original question from the member. As far as I could hear it, it was a very good question concerning recycling and the amount of money that would be flowing for recycling programs.

Mr. R. F. Johnston: Order.

Hon. Mr. Bradley: Thank you. The member for Scarborough West has been kind enough to call order.

I can assure the member that the amount of money for recycling in this fiscal year, as I indicated very clearly in a speech I made to the Recycling Council of Ontario last Friday, is significantly above even the allocation we had anticipated, which in that case was \$2 million, which was the amount that was spent from 1981 to 1985 on source separation.

The actual figure for expenditures in this fiscal year will likely be \$4 million rather than the \$2 million that was allocated. That is because of the popularity of the program and the number of municipalities and others that have indicated a clear interest in it.

Ms. Hart: Despite the popularity of recycling, some municipalities appear to be somewhat recalcitrant. Given that this responsibility is shared with the municipalities, what is the ministry doing to encourage the municipalities into those programs?

Hon. Mr. Bradley: The financial incentive in itself is important. Our ministry has also provided a good deal of technical and other information to municipalities. As minister, I have encouraged them to become involved in recycling.

Our program is now a five-year program as opposed to a three-year program; so there is staged involvement in that program on the part of municipalities. However, there is also a somewhat negative factor that contributes to it that we all recognize. Under the Environmental Assessment Act, which is now applied to all greenfield sites, it is a much more difficult and expensive process to site a landfill site or to establish a facility that would involve incineration.

For that reason, many municipalities are recognizing that it is important to reduce the amount of garbage going into a landfill site before it even gets there. That is why the program has become popular and that is why, as I have described, our ministry is encouraging municipalities in so many ways, financially and otherwise, to become involved in the program.

14:40

NATIVE SELF-DETERMINATION

Mr. Shymko: My question is to the minister responsible for native affairs. Chief Gordon Peters, who is the regional chief of Ontario for the Assembly of First Nations, said following the surprise assurances from both the Premier (Mr. Peterson) and the minister, "We must have been sitting at different tables for the past two years."

In terms of his answers, the minister should be named Clouds of the Heavens if the Premier is Light of the Heavens. Is he prepared to commit himself today that at next year's first ministers' conference, he will follow the lead of the Assembly of First Nations and assure them that he will endorse only changes at the constitutional conference that meet with the approval of the first nations, and will he endorse their fundamental principle that a government cannot give to the Canadian aboriginal peoples rights in the Constitution that, by implication, they already have and that it can be explicit only on rights that are already implicit.

Hon. Mr. Scott: At the meeting outside the Legislature today, which was very well attended

and which was very moving for one who is interested in native affairs, I pointed out the four or five things this government has done in the self-government area, in which Chief Peters participated. The declaration of political intent was, of course, initiated and signed by Chief Peters and others. The Nishnawbe-Aski nation agreement we have made to negotiate was one in which chiefs participated.

We have taken a lead in negotiating the constitutional amendment to which the honourable member refers. There have been two ministers' meetings leading up to the first ministers' conference. Two more are contemplated in which the four native groups will play a major role. We have teams on both sides that are working to develop a compromise position that the four native groups, the required number of provinces and the federal government will be able to support. We have made plain our commitment to this process, and we hope it will have a satisfactory conclusion.

Mr. Shymko: Once again the minister is well-meaning, but he is doing what he thinks is right for the natives. The Premier said today that paternalism is dead, but when he says, "I will speak for you," we are perpetuating that paternalism. Will the minister say categorically today that he cannot dictate to the chiefs of the first nations as he does to his cabinet colleagues? Why will he not let the first nations of this province forge their own destiny? They should speak through us. He should not speak for them.

Hon. Mr. Scott: The Leader of the Opposition (Mr. Grossman) really must get a native affairs critic who will read the material that is provided to him so there will be some foundation on which a debate can take place. It is well known that there are four native organizations. No government can dictate to them, and we do not propose to dictate to them.

With the other nine provincial governments, the two territories and the federal government, we are in the process of trying to negotiate a constitutional amendment that will obtain the provincial support that is necessary if the Constitution is to be changed. We in Ontario are taking a lead in that exercise with Manitoba and one or two other provinces. It is a subtle and difficult exercise. The one direction we are not going to follow is the direction that was followed by the previous government of Ontario.

DAY CARE

Ms. Gigantes: My question is for the Minister of Community and Social Services. The minister

promised a white paper on child care policy for June 1986. Now we are told we will not see the policy until January 1987. In the meantime, indirect subsidies to municipal day care centres will end.

The minister tells us he is looking to the federal government to commit itself to continued and increased funding of child care. Why is the government waiting for a no or a yes on federal funding? Does he think this is a good way to get adequate child care for Ontario families? Is he going to make policy and programs, or is he going to beg for policy and programs?

Hon. Mr. Sweeney: The government of Ontario is not waiting for the federal government to tell it what it can or cannot do. The honourable member will be well aware that at present there is a 50-50 sharing arrangement between the two levels of government. For us to put forward the program policies and proposals we would like is dependent on this kind of sharing. If this kind of sharing is not going to be maintained, if it is going to be changed in any significant way, that will very much influence the program we put forward. I simply want to know what the rules of the game are going to be.

Ms. Gigantes: I think this government has not learned the lesson of the softwood lumber debacle. If one needs something from the feds on behalf of citizens and families of Ontario, one goes there and says: "This is what we are putting in place in Ontario. You tell us how you are going to support that progressive policy." That is what the government should be doing for day care for families in Ontario.

Hon. Mr. Sweeney: In terms of my discussions with the Minister of National Health and Welfare, the discussions of the Treasurer (Mr. Nixon) with the federal Minister of Finance and the discussions of our Premier (Mr. Peterson) with the Prime Minister, that is precisely what we have done.

STABILIZATION PAYMENTS

Mr. McGuigan: I have a question for the Minister of Agriculture and Food.

An hon. member: Did the minister write it for him?

Mr. McGuigan: No. I wrote it myself.

There has been a great deal of confusion among livestock and grain farmers surrounding the federal and provincial stabilization payments. A small number of livestock people are splitting their operations into a grain operation and a livestock feeding operation so they can

collect on the grain stabilization payment and still be eligible to collect on the animal stabilization program.

I wrote to the federal Minister of Agriculture asking him for clarification, and he simply said payments will be made on a net basis. He really avoided the answer. Can the minister tell the Legislature and the farmers of Ontario what advice they should follow in setting up their businesses and what are the policies on stabilization?

Hon. Mr. Riddell: I have received numerous submissions from various farm organizations, as I am sure my federal counterpart has, to have grain fed to livestock included for stabilization purposes. I have discussed the matter with Mr. Wise in Ottawa, and the members of my staff have travelled to Ottawa to meet with the Agricultural Stabilization Board to see whether it is prepared to amend its program to allow for feed grains to be included under the stabilization program.

The decision was that they would not. They have not in the past, and they will not stabilize grains that are fed to livestock. They will stabilize the product that is sold to an arm's-length market. If the corn producer is feeding corn to livestock, then whatever purchases are made by way of grain will be used to offset whatever stabilization he receives on the corn produced that is not fed.

CONSTRUCTION DELAYS

Mr. O'Connor: I have a question for the Minister of Consumer and Commercial Relations. I raise my correspondence with the minister in March on the serious and increasing problem of new home construction delays, with which I think the minister is fully familiar. He stated then that he had no intention of assisting the situation with legislation.

It appears that the best this government can do is to allow a resolution by the minister's parliamentary assistant in tomorrow's private members' hour. It is hardly an answer for the thousands of people who are affected by this problem. In view of the fact that the situation is now worse than it was earlier this year, will he consider taking a direct hand to resolve the continuing problems between builders and their purchasers?

Hon. Mr. Kwinter: The honourable member should know that, contrary to what he is saying about the thousands of people who are being affected by this, it is not in the thousands at all; it is somewhere around five per cent of the people

who are buying homes. When we consider that 95 per cent of the builders are responsible builders and are delivering their homes to the best of their ability—certain things happen over which they have no control; strikes, poor weather and things of that type—to bring forward legislation would not solve the problem.

I have looked at the alternative of bringing forth legislation. If I thought we could bring forth legislation that would solve the problem, I would do it. We have examined it, and we feel there would be so many exclusions that the legislation would be relatively worthless.

14:50

Mr. J. M. Johnson: I would like to follow up on that. Is the minister not aware that there are thousands, and certainly hundreds, especially in Caledon in my riding, who are forced to live with friends or in motels because some builders are intentionally delaying home starts in order to force the buyers out of their deals and get better prices in a booming market? Will the minister at least consider legislating a standard form of purchase contract requiring interest to be paid on deposits during delay periods?

Hon. Mr. Kwinter: Those two recommendations are certainly under consideration. We are working in conjunction with the industry. I am very aware of the problem. I am trying to come up with a solution that is going to be enforceable.

The member has to understand that the building industry runs in cycles. There are booms and there are busts. Every time we do something at one end of the cycle, we have to make provisions at the other end. It is not an easy problem to solve. We are looking at it and trying to come up with a resolution.

The building industry, which is the largest industry we have, is very concerned about it; it is very cognizant of it. The building associations have been meeting. They are trying to come up with a discipline within their own industry, but there are various problems that cannot be resolved with legislation. How does one legislate against a company going on strike? How does one legislate against a rain storm? How does one legislate against a municipality that does not bring forward the building permits?

These are all problems that would have to be excluded in the legislation, and there are many more. By the time we do that, we have legislation that does not have any teeth at all.

NURSING HOMES

Mr. R. F. Johnston: My question is for the Minister of Community and Social Services,

although variations of the question can go either to the Solicitor General (Mr. Keyes) or to the Minister of Health (Mr. Elston). It concerns the situation in the Ellenvale Acres Nursing Home in eastern Ontario, where three developmentally handicapped youngsters have died in the space of five weeks.

I will go to the Minister of Community and Social Services. Incredibly, there has not as yet been an inquest called and there has been no push for one that I have heard of by other ministries. The minister has made commitments in the past to get these kids out to homes for special care. There are still four children under the age of 18 in that home and there are almost 40 who are in their 20s. What is the minister going to do to get those kids into a proper home with proper care?

Hon. Mr. Sweeney: The honourable member will be aware that, despite the fact that our ministry does not operate those homes, we do provide the day programming for those residents. Therefore, we assume some responsibility for the residents themselves, even if we do not do so for the facility. At the same time, we have clearly indicated—and there has been a clarification between the Minister of Health and myself—that there should be a transfer of responsibility for those residents to our ministry.

I have already made a public commitment that the children in all those homes across the province will be removed from them and brought back into the community within the next 18 months. That does not mean that nothing is going to be done for 18 months; it will be done during that 18-month period. My staff are out now working very closely with the staff of the Ministry of Health to decide which ones will be moved first and where they will be put. As the member knows, there must be a residential placement for them and there must be a day programming opportunity for them.

Mr. R. F. Johnston: I remind the minister that the member for Bellwoods (Mr. McClellan) first raised this issue in 1978. He got commitments at that time that it would be a very quick process to get those under 18 years of age out of these homes. As I said, the majority, almost 40 of the people in that institution, were under 18 years of age at the time he made his first request.

Although there is a triministry person there providing programs, my information is that a week ago Sunday, when somebody went to visit a relative there, he found children still in their cribs in the middle of the afternoon. They had to step over people who were lying on mats in the

hallways and there were only three staff members on hand for a total of 20 people.

Will the minister make a commitment today that he will give us progress reports regularly in this House on getting not only these specific children out but also the rest of those under 18 years of age at least, and I hope those in their 20s, during the next number of months, so that we can see practical progress and can hold him accountable day by day? These kids have been in there since the early or mid-1970s.

Hon. Mr. Sweeney: I most certainly recognize the work done by the member for Bellwoods. There is no quarrel or difference of opinion between us as to what needs to be done. The request from my honourable critic is a reasonable one, and I will do the best I can to accede to it.

OBSTETRICAL SERVICES

Mr. Stevenson: In the absence of the Premier (Mr. Peterson), I have a question for the Minister of Health. The board of the Uxbridge Cottage Hospital has been forced to take funds from an already very tight budget to pay the fee for a visiting consulting obstetrician to get the obstetrics unit reopened in that hospital. Now that the minister has forced his version of health care inaccessibility on the women of the Uxbridge area, why has he refused to pay the cost of getting that obstetrics unit reopened in that hospital?

Hon. Mr. Elston: The concerns raised at the local level about the people who provide service in their hospitals are, after all, decisions that have to be made by the people who are trustees for that community. They make the decisions about how and what funds will be allocated for what purpose.

In that situation, the individual physician had decided that he wished to receive more money. I do not provide the specific line-by-line approvals of what hospitals do. There is a global budget, and if they wish to make a decision about paying a salary to a particular person to become a member of a department in that hospital, then they are at liberty to do that.

I must advise that when they make those decisions, they make them on the basis of the business information they have available to them, and I expect them to make them on the basis of the ability of their budget to accommodate whatever steps they deem necessary.

I was in touch with the chairman of the board when this problem originally arose and I spoke to him about it. I had indicated I was not able to provide him with a special fund to pay that

physician to return to service in Uxbridge, but I expected that if the board had wished to make a determination on its own with respect to what was available in its budget, then certainly that was well within its mandate to do so. It obviously has taken the step and made a decision that its budget allowed it to provide a salary for that person.

Mr. Stevenson: Boards routinely apply to the ministry for new programs, and clearly the minister has forced them into a new program. Obviously, he is not going to fund this program now or in the future. Will he then increase the budget to return the services that are going to have to be cut to keep the obstetrics unit open in that hospital?

Hon. Mr. Elston: It is not usual to describe payment to a particular physician in a hospital as a new program. In fact, he had been serving the area before on the basis of a determination that he would like to provide a consultant service to the practitioners in that area. As I understand it, he visited regularly from a place where he resides outside of the hospital that he normally attends.

From my own standpoint, I cannot find that this is a new program. Particularly, I cannot find that employing a new person in a hospital setting is a new program as defined under the means by which I would have an ability to fund. In this case, I cannot give the honourable member an undertaking to provide additional funds to this facility. We review the budgets and the submissions that are provided to us on the basis of their needs, but I cannot do it in this situation.

In addition, the members here will be happy to know that we have set up a new program under which district health councils will help to advise—

Mr. Speaker: Order.

PETITION

AUTOMOBILE INSURANCE

Mr. D. R. Cooke: I have a petition several pages long, in which the undersigned are not satisfied with the way the automobile insurance companies are monopolizing the insurance business and would like the provincial government to do something about it.

15:00

REPORT BY COMMITTEE

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr7, An Act respecting the County of Huron; Bill Pr22, An Act to revive Cedarhurst Golf Club and Bill Pr26, An Act respecting the University of St. Jerome's College.

Motion agreed to.

Bills ordered for second reading.

Mr. Grande: I would like to address the assembly briefly on Bill Pr7, if I may.

Mr. Speaker: I am sorry, I cannot hear you.

Mr. Grande: You asked whether the bill passes and I stood up to speak on the bill.

Mr. Speaker: No.

Mr. Grande: Why not?

Mr. Speaker: I understand this bill was discussed in committee and this is a report back. It is the usual custom that there is no further discussion on second reading. That is the report of the committee. I am sorry.

Mr. Grande: Mr. Speaker, if I may, I understood—

Mr. Speaker: Order. It has not been the custom. This is just the report from the committee. There will be a further chance for you to make some comments on the bill.

MOTIONS

HOUSE SITTINGS

Mr. Nixon moves that when the House adjourns on Thursday, November 6, 1986, it stand adjourned until 1:30 p.m. on Wednesday, November 12, 1986.

Motion agreed to.

COMMITTEE SUBSTITUTIONS

Mr. Nixon moves that the following substitutions be made on the standing committees: on the standing committee on administration of justice, Mr. Ramsay for Mr. Callahan; and on the standing committee on public accounts, Mr. Callahan for Mr. Ramsay.

Motion agreed to.

INTRODUCTION OF BILLS

HIGHWAY TRAFFIC AMENDMENT ACT

Mr. Sterling moved first reading of Bill 145, An Act to amend the Highway Traffic Act.

Motion agreed to.

Mr. Sterling: This bill makes it mandatory for all motor vehicles to have their lights on whenever the vehicle is in motion. If this

measure were to become law, according to statistics of the Department of Transport of Canada, accidents would be reduced by three per cent to six per cent and the loss of 40 lives and 4,000 injuries could be avoided.

I am pleased to introduce this bill during Headlights On Week sponsored nationally by the Insurance Bureau of Canada.

GEOGRAPHIC TOWNSHIP OF HANSEN ACT

Mr. Shymko moved first reading of Bill 146, An Act to change the Name of the Geographic Township of Stalin to the Geographic Township of Hansen.

Motion agreed to.

Mr. Shymko: The purpose of the bill is to provide a permanent monument to Rick Hansen, who is now crossing Ontario in his heroic travel around the world on behalf of the handicapped.

I introduced this bill in the light of the concern felt by many Ontarians and Canadians from the Jewish, Ukrainian, Lithuanian, Polish and other communities about the name of Stalin and in the light of letters that have been written to the Premier (Mr. Peterson) and his reply to the MP for Calgary East, saying he will be pleased to keep the suggestion of that change in mind. The Premier said the problem he had is that we have a very tight and busy schedule in the Legislature which will not permit an amendment to the Territorial Division Act, and I thought this bill might pass with the support of the House.

ORDERS OF THE DAY

Hon. Mr. Nixon: Although it is not on the business page for today, I would like to call the fifth order by and with the agreement of the House.

THIRD READING

Hon. Mr. Elston moved third reading of Bill 129, An Act to amalgamate Toronto General Hospital and Toronto Western Hospital.

Motion agreed to.

LIQUOR LICENCE AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 134, An Act to amend the Liquor Licence Act.

Mr. Speaker: The member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) adjourned the debate yesterday. Do any other members wish to participate in the debate?

Mr. Charlton: I rise to speak to Bill 134 and to raise a number of concerns I have with the bill as it is put before us. Let me start out by comparing some fact sheets I have here which were put out by the Ministry of Consumer and Commercial Relations.

In regard to the bill itself, the fact sheets talk about the definition of a "retail food store." They also talk about the definition of an "independent retail food store." Unfortunately, I cannot find in Bill 134 any reference to those definitions or anything that specifically indicates to me that those definitions are going to be in place once this bill passes.

Undoubtedly, the minister will assure the House that the distribution of wine and beer to independent retail food stores will be regulated by a definition in the regulations.

15:10

That also speaks to the concern that has been raised a number of times during this debate over the course of the last year and a half since the Liberals made this promise during the election campaign; that is, although they have chosen to come here to the Legislature to make the changes to open up the retailing process for wine and beer, this government will be able to expand that retailing process by regulation outside of this Legislature as it had the power to do with this change in the first place.

The government obviously wants it both ways. It wants this Legislature to take responsibility for the basic change, but it wants to take away the ability of this Legislature to take absolute responsibility for the change and its regulation.

Mr. D. R. Cooke: What about free debate?

Mr. Charlton: That is what we are having here today. That is why we are here, is it not? Is not democracy about the rule of the majority?

Mr. D. R. Cooke: That is right.

Mr. Charlton: That is exactly right.

My first concern is that although this government is asking this Legislature to make the basic change, it wants to take away from this Legislature the right to control how that change is used in the future. Mark my words, three or four years after the passage of this bill, if it should pass, the entire retail sector of the food and variety store type will be involved in the retailing of wine and beer by changes in regulation that would be done over on that side without any input by the Legislature or by the public of this province.

The second basic concern I have with this piece of legislation is that the title itself and the

definitions on the fact sheets from the ministry talk about beer and wine in independent retail food stores. The comment from the outset has been that it would be small, independent stores that are helped by this rule. It is interesting that although I have some letters from individual citizens, consumers, some in favour of and some in opposition to this change, I have been contacted so far by only five people whom I would categorize as small, independent retail food store owners in the pure sense; i.e., they are not in a franchise of a chain, they are not proprietors—

Mr. Callahan: They know the member is against it; why would they write to him?

Mr. Charlton: These are the people he is saying the bill is for. They are also against it, my friend. The small, independent, family operated food stores are going to have real problems with this piece of legislation because those are the very operations that depend, in large part, for their ability to survive, on the hiring of students to work in their stores.

All five—and they happen to be the only five truly independent food retail stores in my riding—oppose this legislation because they do not want to get involved, they do not want to have to lay off their students and they do not want to get forced by the small chains to have to stay open longer and a whole range of things that this society has placed as pressures on them over the course of the last 20 years. They see this bill as just the next, additional step in pressuring them out of business as small, family operations, because they will not have the ability to operate or to compete.

During the course of this debate, we have had some discussion about the General Agreement on Tariffs and Trade and the effect these changes, by allowing only Canadian beer and wines, will have on a number of commitments this country has made with other jurisdictions.

The minister was quoted as saying the GATT people are also very concerned about what they consider to be our discriminatory policy as far as European wines are concerned, and that is a very serious bone of contention with them. They have already put us on notice that if we put beer and wine in corner stores and exclude those brands, this will be the straw that breaks the camel's back.

If this bill should pass, I am sure that for the first, very short period the minister will stick by his word and the regulations will say small, independent retail food stores, as defined in this fact sheet, and the sales will be limited to

Canadian wines and beers. However, as we well know and as I have already commented about the mounting pressures, the campaigns and the lobbying from other retailers, so too will the lobbying increase for the expansion of the products that are available.

It will not be very long, a year, two or three years down the road, before we will see a change in what started out as a program to provide some convenience to the consuming public, supposedly provide some assistance to small, independent retailers and to provide a boost to Canadian-produced wine and beer. All of that will go down the drain. We will see these products available in the large retail chains of grocery stores and we will see more than just the Canadian products available, because that is what the consuming public will demand. Ultimately, if they are going to want to take advantage of the convenience, they are going to demand the products they like best, whether it happens to be a Canadian beer, a Dutch beer, a German beer or a British beer. They are also going to demand access to their own particular favourite brands of wine.

Although all we are being told in this debate may be very true in the very short run and in the very first instance, we know it is bunk in terms of where we will end up in a short period. A lot of the rationale the government has used to promote this piece of legislation will become exactly what I called it, bunk.

I have one other major concern which is about a complaint I have already heard from the small retailers in this province for many years, never mind adding to that problem. It is the concern around deposit-returnable bottles. The small retailers in this province have had problems with returnables for at least a decade and probably for closer to 20 years. Among the small retailers nowadays, one can find virtually none that meets the requirements of the legislation as far as the display of soft drinks is concerned, for example.

The small grocery or variety stores are stocked with two kinds of soft drinks: the one-litre bottles, which in some cases are returnable, and cooler after cooler of cans. There are no returnable bottles in the one-drink size, just cans. Every single one of those stores is currently breaking the law and is in violation of the regulations that are in place in this province in terms of returnables versus nonreturnables.

15:20

With beer, we recover currently 98 per cent of the deposit-returnable beer bottles in this province through the Brewers' Retail system that we have. We also recover currently 75 per cent of the

deposit-returnable beer cans that are distributed in this province through Brewers' Retail outlets.

As someone who was the Environment critic for this party for four years, as someone who saw over the course of the last few years the huge lobbies that went on around returnables versus nonreturnables, I know that if we add to that lobby to get rid of the deposit-returnables all of the small retailers in this province because they are now not only being asked to handle returnable pop bottles but they are also being asked to handle returnable beer bottles, we will lose everything we have gained over the course of the last decade from the environmental perspective.

I know the minister will again tell us, "We will make sure that does not happen." I saw both the previous government and this government already start to bend under that lobby and if we add a whole pile of small retailers in this province who are now trying to retail beer to that massive lobby, we will see everything we have accomplished in terms of returnable bottles go down the drain—and returnable cans as well, for that matter, because they do not want to handle them either. They do not now, they will not then, and no matter what the minister says that lobby will grow.

It is time this government started to face up to reality. It has not even skimmed the surface in terms of the problems the changes it is talking about will cause. It has not even thought through where this is really going to end up. I am not saying the commitment they are making about what will be true on day one is not a reality. It may be a reality then, but they are kidding themselves. They are being naïve and they are playing games with their constituents if they believe that is where it is going to stay and that it will not go any further. They are being silly and naïve.

All I can recommend to this House is that we defeat this bill and end this stupidity as quickly as we can.

Mr. D. R. Cooke: I have a couple of comments. I am surprised that the member for Hamilton Mountain (Mr. Charlton) is suggesting, as I think he was, that there were five variety stores in his neighbourhood—

Mr. Charlton: Five truly independent stores.

Mr. D. R. Cooke: All right. I am surprised at that. I live on the corner of Filbert and Frederick streets in Kitchener and I am right across the street from Fisher's Variety Store. I know Bob Fisher is most anxious to have beer and wine for sale.

An hon. member: Is that something like Earl's Shell?

Mr. D. R. Cooke: I do not know if he is related to Earl's Shell Service or not, but he is most anxious to have beer and wine available for sale in his store. He is quite prepared to deal with the bottle returns without any problems whatsoever. That is the case in other stores in that neighbourhood as well.

Mr. Charlton: Before he votes in favour of this bill, the member should take the time to find out who this bill is going to affect and to understand that the variety store he talked about is not covered under the definition that we got from the ministry office. The definition talks about the sale of nontaxable food stuffs. This little independent variety store, which I agree really is an independent variety store, will not qualify under the definition the minister has provided us with. He is not going to get to sell wine and beer unless he starts to lobby, along with the others I have talked about, to expand the jurisdiction of the bill. Look at the facts before voting.

Mr. Mitchell: I do not intend to be long but I feel some comments have to be made about the sham that has been created for the people of Ontario. It is more than a sham; it is a hoax perpetrated on the people of Ontario because it was done for political expediency. It leads the people of Ontario down the garden path.

Mr. Callahan: What the member is doing is political.

Mr. Mitchell: Not at all. If the member reads the bill, perhaps he will understand and appreciate this.

In the minister's introductory statement, he said one of the goals was to maximize convenience for consumers. If I may borrow an expression, there are 100 problems related to alcohol but access is not one of them.

There are many questions that remain unanswered by this legislation. I am going to treat them on a broad basis rather than deal with any one specific. For example, in the minister's statement to the Legislature, was he serious about the age of the person who would be in the store selling beer and wine? In his statement, he said the age of 19. However, I understand the Liquor Licence Act would have to be amended to change the age because I believe it says anyone 18 years of age can sell spirits. I would like to know the situation.

I will continue with this age situation. There are many stores in the communities represented

by the members of this House that are known as mom-and-pop independent stores. In these mom-and-pop stores, the kids rely on the income they get from helping their folks to run the store. I see members laughing; obviously, they do not have mom-and-pop operations in their areas.

I can give a specific example. In the riding I represent, there is a family that operates a busy convenience store. The children operate it at night when they are finished with their school work and so on. It gives them added income during the school year. None of them meets the age criterion, whether it is 18 or 19. As a result, from now on, if this bill were to pass, those kids would not be able to work in the store. The family might not be able to afford to have the children there as well as an adult. How many kids, not only from this family, who rely on this for added income for their school year are going to be unable to work in a store and earn an income?

The other thing I am bothered by with this sudden access to beer and wine in the grocery stores, independent stores or convenience stores—I am not sure what name to apply—is that I am concerned about the protection of those who are still students, even of those who do meet the age criterion who are still students. Peer pressure can be pretty hard on one. Who is to say what will happen with an 18-year-old or a 19-year-old, whatever age happens to be the age selected, who is working in a store late at night if a bunch of his peers come in and apply a little pressure if it is after hours and so on, and use threats or whatever one might expect to get a case of beer or wine.

Speaking about the security of wine and beer in these independent or convenience stores, are we going to enforce the present Sunday legislation? How are we going to account for the safe lockup of all these products on a Sunday so that one can ensure they are protected and are not sold? Or are we planning on changing the legislation as well to allow for that? I see that as a problem. It may not be, but I see it as a problem.

15:30

As I say, I am dealing with this on a broad basis. The minister has said in an answer to a question, I believe, that he does not see a problem with the General Agreement on Tariffs and Trade. That is fine; maybe he does not see a problem, and I am not going to pursue that further. However, I am concerned about the hoax that I feel has been perpetrated on the people of Ontario, because when the sale of beer and wine in corner stores was announced during the election as a platform item—the Liberals said they would introduce it if they became the

government—people expected they would have full access to all beers and all wines.

I do not object to protecting the Canadian wine industry, as this bill does, but we are saying to the people: "If you are unable to go to the store, we do not really care. You are just not going to be able to buy even one or two or three imported brands. You are going to have to deal with what you get." We are telling them now what they should drink. Notwithstanding GATT, we have buffaloed the people, because they felt they would still be able to get a selection of beer and of wine, which they can get in Quebec.

Mr. D. R. Cooke: I take it the member agrees there are not enough outlets.

The Acting Speaker (Mr. Morin): Order.

Mr. Mitchell: I did not say that at all. I am just showing the fallacy and the foolishness of a lot of the parts or components of the minister's statement and, as a result, of this bill.

Interestingly enough, let us talk about outlets. The minister is going to maximize availability. What happens if it becomes so readily available at the stores that some of the Brewers' Retail outlets find business is dropping off and have to lay off staff, or they decide to amalgamate their stores into one or two other stores?

Who is going to protect the jobs of those people who work for Brewers' Warehousing, which is a creature of the breweries? The breweries do not care, really. They are going to make their buck if they are selling it to the grocery store; so in reality, the employment of the fellows who work in those stores could be secondary in importance to them. They are concerned with selling the beer.

Mr. D. R. Cooke: Brewers' Retail controls the whole opposition.

Mr. Mitchell: Listen to Heckle and Jekyll over there. It is rather interesting.

The Acting Speaker: Address your remarks to the chair. Ignore the interjections.

Mr. Mitchell: I am also interested in and concerned about the real cop-out of this bill. This bill need not even be here. It could all have been done with regulations. The bill need not be here at all; but it is, so we are dealing with the bill in the way it should be dealt with.

To say to the municipalities, "If you do not want it, you have a right to say no," is a cop-out.

Mr. Callahan: That is democracy.

Mr. Mitchell: Oh, come on. The member knows the municipalities' position as well as I do. He is sitting there with his hand on his chin, but he knows how they feel about it.

Interjections.

The Acting Speaker: Order. There will be a period of 10 minutes for members after you are through. They will have two minutes each, and then you will have two minutes to answer the heckling. Take advantage of that.

Mr. Mitchell: I apologize, Mr. Speaker. I allow myself to react too much to it.

Because there are a number of people who wish to speak, let me say that this bill is ill conceived and has been handled in a way that has fooled the public. But people are suddenly getting an idea of what it is all about, and I suggest this bill should not be supported.

Mr. Callahan: The people of Ontario are mature enough to receive a bill such as this to make beer and wine accessible to them at nearby retail outlets. It is time we got rid of this cobweb idea of the Conservatives, such as it was when I was a young man—and that was some time ago—when you had to have one of these little books, and they would write how much you were going to buy, because you could not be trusted; you were an adult, but you could not be trusted.

I get a big kick out of the beer companies. They have all the arguments that the guys over there are putting up, bogus arguments. In fact, they are planning on locating outlets at each subway stop. These guys are concerned. Those guys over there created a monopoly for them. They have joined the New Democratic Party. They are no longer free enterprisers. Those guys believe in monopoly, and they are playing games with the public. They see an issue that is popular, that has come of age and that should be passed, and they are prepared to hang with the NDP to defeat this bill. The people of Ontario will judge that question in the next election.

Mr. D. R. Cooke: Briefly, the comments by the member for Carleton (Mr. Mitchell) seem to fall into a pattern that I understand occurred in this House yesterday when the member for Welland-Thorold (Mr. Swart) and others were speaking. The pattern seems to be speeches prepared in the interests of the breweries or of Brewers' Retail.

I understand the member for Welland-Thorold mentioned the Price Waterhouse study. The House should know that study was commissioned by Brewers' Retail. Similarly, the member for Carleton raised issues of concern that are obviously the concerns of the Brewers' Retail workers. I think there are other people in the province.

Mr. Philip: Since the previous speaker has made the accusation that somehow the Conserva-

tives and the NDP have created a monopoly, will he not agree that this bill does not allow the free market system to work, that it does not provide for any kind of competition and that therefore, if there was ever a monopoly, it is the monopoly created by this bill, which will not allow for any price discounting or competition as may have existed in any jurisdiction?

What the Liberal government has done is to create the worst of all worlds. There is no competition at all built into this bill, and the price is going to go up.

Mr. Mitchell: In answer to the member for Etobicoke (Mr. Philip), two points are correct. I would also like to say to the member for Kitchener (Mr. D. R. Cooke) that I have been speaking on this issue in my riding for a number of years. I have spoken out about beer and wine in the grocery stores, and been quite open about it, for a number of years.

I am not speaking as a result of any lobbying. Nobody has lobbied me or anything. I am telling the member that he and his party have an ill-conceived bill that is not in the least bit concerned with the employment or the effect on youth. In fact, it is mind-boggling that his Solicitor General (Mr. Keyes), who is the chief police official in this province, is ignoring all the recommendations with regard to the problems associated with beer and wine. He is ignoring it all. He is not supporting the very people to whom he is responsible. That points out how ill conceived this legislation is.

Mr. Allen: I rise to oppose the bill along with my colleagues in this party. I do so with a certain sense that in this issue, as is so often the case, we are once more dealing with a great deal of mythology.

I look at the minister's announcement when he introduced this subject some time ago and tabled the bill. It has such language as "come of age," "paternalism of the past," "make choices for themselves," "updating" and "moving forward." I suggest these are part of that language we always hear, which is, "Get into the 21st century," "Will that not look bad from the perspective of the 21st century?" or "Why do we not get out of the 19th century and into the 20th?"

All that type of stuff, when we come down to it, seems to suggest that the people who are proposing the things in question have some secret knowledge of what is supposed to be down the road 10, 20 or 30 years from now, that they know and the rest of us do not, and therefore some of the things they are proposing are somehow stepping us into the great progressive era of the

future, in which every person is mature, self-determining and so on in ways they were not in the past.

I find that rather ironic. One of the members opposite used those words again in defence of this bill—"the right to make a mature, independent decision" and so on—as though, somehow or other, decision-making in our time as in any other time does not require us also to make decisions that are properly made as a collective group, as a whole population, to be accomplished through our public sector, through government, which is people working together.

15:40

If people working together is not something that is mature, I do not know what is. The notion that problems such as this one dealing with a major area of consumption or the issue of tobacco use should simply be left to individual decision, irrespective of known impact on public health, frequency of traffic accidents, etc., is surely most immature and utterly childish.

The proposal the minister and the government have given to us is a childish proposition that will not move us into any mature future. Indeed, it will march us into some proposals, circumstances and institutional arrangements that we will regret.

As a Canadian historian, I happen to have been the historian who initiated at least some new re-evaluation of what happened in the era of Prohibition, around which an immense mythology exists. If one looks back at that history realistically to what happened when the most severe constriction on alcohol consumption in our country occurred, one finds some very interesting things.

Jails were closing all over the country. Debts were paid all over the country, and small retailers did not have to worry about collecting their debts. Police forces were underemployed, and we were able to reduce our public order account. Children attended school with greater regularity. If we consult all the social workers of the period, we discover the real social benefits that came with Prohibition.

I do not propose that we move back to the era of Prohibition, which had its own infantile characteristics too. I want to suggest, however, that on an issue such as this, if we are at one extreme we are pretty infantile; but so we are at the other extreme, where we say, "Let us open the whole thing wide and leave it to individual choice." That is the direction of the rhetoric, that we can all cope with mature, individual decision-making in Ontario.

If we can cope with it, why between the mid-1960s and 1978 did the statistics for alcohol consumption, alcoholism and alcohol-related offences and diseases virtually double? They did so because accessibility expanded dramatically. We moved the drinking age limit for young people from 21 to 18, and with that additional accessibility there was a significant multiplication of all the problems.

That is precisely the message of the most mature and scientific research. Taking into account all the cultural variations in the background and the elasticity of various products in the alcoholic beverage market, the message is very clear. Expanding accessibility in this fashion, as is true of virtually every other expansion in the context of Ontario's history, will lead to an exaggeration of all the problems.

I prefer to take my stand with the schoolteachers, with the principals of this province, with the municipal representatives who do not want the problem and with all the people who are standing up and saying there is a proper, mature decision to be made in a collective fashion by the people of Ontario, through this Legislature, about the way they control their access as a people to products that have significant social and health repercussions. They do not want to see that decision made on an individual-by-individual basis.

Speaking as the Colleges and Universities critic, I am not impressed by the impact on university initiations of the open accessibility that resulted for 18- to 21-year-olds after that age group was brought into the picture. Likewise, I prefer to take my stand against an industry which in advertisement after advertisement is saturating the media, trying to give us an image of the good life that goes with beer and alcohol consumption, just as I do against the tobacco industry, which tries to corrupt young people in associating good health, good sports and adventure with smoking.

I stand, along with my colleagues, opposed to this bill. I think it is a backward step. I think the minister is shrouded in the mythology of the past, as are most of his colleagues apparently who stand up and make their interjections. I look forward to us defeating this bill and then continuing to look at this issue in the kind of public policy perspective of a mature kind that our party proposes.

Mr. Callahan: In normal circumstances, I have the greatest respect for the gentleman who just spoke, but I think he is a bit misguided in this respect.

I can give examples under the present system, which I experienced during my years of practis-

ing criminal law and acting for young people. They buy three 24-packs of beer from the local Brewers' Retail, supposedly to drink over the weekend. They drink it all on Friday night and wind up ripping off a Mac's Milk store. I do not see that making it more accessible is going to make a greater attraction to the people who can already get it through the Brewers' Retail. That argument does not wash.

As far as the municipalities are concerned, it has been traditional in questions of wet or dry—historical, in fact—that the local option process be there. Sitting on council as a member of council, I would want the opportunity to be able to decide whether there should be beer and wine in a corner store, because as a municipal councillor I know my municipality better than the people in the senior level of government.

I wanted to address those two aspects. They are complaining because they do not want the responsibility, but the responsibility is theirs; it is part of theirs as being the local representatives.

Mrs. Marland: It is incredibly interesting to hear the member for Brampton say that when he was a municipal councillor he recognized that the municipalities knew more about this subject than other levels of government. It is incredible to me because his municipal council is a member of the Association of Municipalities of Ontario, which does not want this bill. On the one hand, he is saying municipalities know what is right and what should apply. On the other hand, he is supporting a bill that the very same municipalities have said they do not want.

Mr. Philip: I am simply amazed that a lawyer could have the kind of convoluted logic, or illogic, that was just exhibited. If we take his case, he says that on Friday a group of people went out, got drunk and used up all the booze they had; then on Sunday they robbed a Mac's Milk store. One can only assume that at least now when they rob the Mac's Milk store they will be drinking milk. Under his system, of course, they would be stealing the liquor and beer in the store.

Mr. Allen: I think the member opposite simply made my point about mythology. Mythology rests on legends and stories that one builds up from casual observation as against scientific analysis. He is prepared to talk about a single incident in a Mac's Milk store with total disregard to the scientific analysis of consumption habits on a number of foundations. That kind of approach is totally immature.

Mr. McLean: I take great pleasure in speaking on Bill 134, An Act to amend the Liquor Licence Act.

This bill was introduced to the House a short time ago, on October 16. This week we are debating it. I am curious how this bill could be introduced and, all of a sudden, brought forward for debate. It was my understanding there were many pressing items of business this government wanted to get through the House and many items and bills of the budget of last May that the Treasurer (Mr. Nixon) wanted to see go through the House. All of a sudden, this bill is a priority.

15:50

I am not so sure it is a priority in a way the government intends it to be. I think this is an election promise that was made. After October 16, they found out the bill would be defeated and they wanted to bring it forward to have it defeated, so they could say they had fulfilled their commitment.

The present system is in need of much improvement and modernization to suit the needs of a changing society. We might look first at making changes in the delivery and retail system in underserved areas. We might look at many ways within the jurisdiction of the Ontario government that the expansion could take place. It is important that the control remain with the government, and there are innovative recommendations on how the current system could be altered to benefit Ontario's consumers and to promote domestic products.

There are many different ways in which we could alter the system. We could improve the way products are put on the shelves; we could have more self-service stores; we could have more stores within communities. However, we are not really talking about corner stores; we are talking about grocery stores, in which 51 per cent of the produce has to be groceries. To me, this bill is not the answer. The government could broaden the scope by regulation; therefore, it is not necessary to bring this bill forward.

One part in this bill that bothers me is the provision whereby the municipalities have to pass a resolution if they want beer in corner stores and, in my understanding, they have to pass a resolution if they do not want it. We have more than 800 municipalities in Ontario. Do all these municipalities have to say they either want to allow it within their jurisdictions or they do not? Section 39 of the bill sets out the powers to make regulations. The changes are complementary to section 1. The municipal resolutions are an important aspect. The Association of Municipalities of Ontario has indicated it is not interested in promoting the bill.

The definition of "store" has to be clearer. If the municipality allows the sale of beer and wine, who will determine who cannot have it? There is a LCBO store in my riding at Port McNicoll which was put in as a summer store. It was doing a great business, but it has been closed. Is the government providing a service for profit or is it providing a service for the community? With 2,000 people in the community, there is no LCBO store. The government is playing games.

The other part of the legislation that concerns me is that there is a minimum price for all products that are sold, but there is no maximum price that may be charged. With regard to pricing, the indication our task force had when it travelled across the province was that it would cost at least \$2 more for a 24-pack of beer in a grocery store. I guess that is the price of convenience.

The system could be expanded by regulation to make it more convenient for an ordinary worker who may want to pick up a six-pack on his way home from work. There are other ways to expand the system. People could purchase products they wanted to take home at the hotels and licensed premises we have now.

The people who are raising the greatest issue of concern are the police, the drug research people, the church, families and teachers. Many people are raising concerns about this legislation.

When we consider the 18-year-old employees working in the stores, there are many students across this province who need that extra money during the summer months. They need a job and, together with the families who run the stores today, those young people want to work and they should continue to have the opportunity to do so.

I want to conclude by saying that there are ways of modernizing and expanding the service to communities across this province. The task force of our critic, the member for Leeds (Mr. Runciman), which travelled the province, indicated through the hearings that were held across the province how the service could be expanded in many ways.

People came and told us how they thought that could happen. This piece of legislation is nothing more than an election promise. The government felt that it should keep its commitment to that promise, suddenly, after it realized the two opposition parties were opposed to it.

I do not believe many members on the government side want to see this legislation passed. I will repeat that there are other ways the government can change and modernize the

Liquor Licence Act through amendments other than this piece of legislation.

It can be done by regulation. I believe we would be pleased to help them, but I do not support Bill 134 in this form. There are other and better ways of doing it.

Mr. Mackenzie: I am pleased to speak to Bill 134 and I am more than pleased to have my comments on record for my constituency which, I might point out, is probably more of a workers' constituency than many in this province. It is a constituency where shift work is the norm, not the exception, and where you might expect this to be a popular bill.

To begin with, one has to argue whether there is an accessibility problem. I have been in this House for only 11 years, but I have not had very many people complain about the accessibility of beer and wine. I have six sons and daughters, all of whom have reached the age where they like to have a beer. Sometimes I wish they did not as much, but ours is a very active house, with a lot of young people around because of involvement in sports as well.

I was interested in the reaction of my own children. It simply was, "Is this the most important thing they can think of to debate in the House, Dad?" It is not an issue. None of them is concerned about being able to pick it up in the corner stores. As a matter of fact, what I think to be the truth is one of the good arguments I heard made by one of my own sons.

A young group is out drinking late. It may be somebody who is a heavy drinker to begin with, or some young people who may not have as good control as some of their colleagues, or there may be peer pressure. They are most likely to run down to the corner store when they have run out. That is a danger, and it is a point that one of my own family raised with me.

There is a particular hypocrisy in this bill that I find more than passing strange. We are worrying right now about the consumption of alcohol, particularly by the young, as well as about drug use. We are talking about whether the lifestyle advertising we see should be allowed. We are talking about raising the drinking age. I happen to think that would be a mistake; I was one of those in this House who supported raising it to 19 on the basis of trying to get some of the problem out of the high schools. That was useful, but it would be a mistake to go beyond that because there are too many more rights that young people have that we cannot negate or say they do not have the responsibility in terms of this area.

16:00

However, at a time when we are talking about what we can do to cut consumption and specifically what we can do to deal with the problem of younger people drinking, it is passing strange that this is the very time the government wants to open it up, by how much we do not know, and I will not make arguments on those kinds of figures. Making it available in corner grocery stores is going to open it up, make it more accessible and make it much harder to police and control. It does not make sense. The two are at odds with one another.

We are also talking about the question of jobs. There are some 2,000 regular employees, with about 1,500—I could be out by 100 or so—who are unionized workers at Brewers' Retail and who have a decent wage. There are also some 4,500 or 4,600 part-time workers. Even the part-time workers make a better-than-average wage for the hours they work. There will likely be a loss of jobs. It is difficult to put numbers on this, but in these well-paid, organized outlets, we are likely to see a loss of employment. I challenge anybody in this House to say what we are likely to see in the way of new employment in some of these corner stores except for minimum wage jobs. The argument will be, "We will keep it going with the family rather than hire any new employees in any event." It does not make sense.

There is an additional argument we should look at very seriously. Many people in this province and in this country are beginning to worry about concentration. We talk about corporate concentration and financial concentration. In terms of the beer industry, I suggest we are inviting it with this bill.

Mr. Callahan: What is the Brewers' Retail?

Mr. Mackenzie: I will tell the members why I suggest we are inviting it. Most small corner grocery stores are not going to have the facilities, especially if they are challenged by the chains. I think they quickly will be, and the chains will probably win the right to sell beer and wine in their stores. The small stores are not going to have the capacity to handle all the brands one gets at the Brewers' Retail. This means the purchasers are likely to stick with the three or four main brands that are the big sellers. This has the potential to add to the control and concentration of the big boys in the industry. I do not like it at all.

Mr. Callahan: It is already there with the Brewers' Retail monopoly.

Mr. Mackenzie: I wish the heckler across would be quiet. He has not been making much sense since he started today.

In terms of the public perception of this, I do not claim that my riding survey is a scientific one, but I know that to the question—it was asked very fairly—“Would you like to see an expansion of beer and wine into the corner stores?” we had almost 1,100 responses, which is a better-than-average response. I thought I might have been out of tune with some of the voters in my town, Hamilton East, an industrial sector with shift workers, but it was slightly better than 55 per cent no and 42 per cent yes. That is an indication there is not overwhelming support for this idea.

My final point is that it is a cop-out to say: “We want to bring in this bill, but we do not have the guts as a government to say this is what it is going to be. We will bring it in and then give the local municipalities the power to say yes or no.”

I suggest some members in this House stop and think about some of the complaints they used to get, before it became almost widely acceptable, about one community outside their own town having late-night shopping and the pressure that was there and the fights between the merchants. We could not control it that way. If there was a community a mile down the road that allowed it, this was unfair to those where it was decided there would not be open shopping.

The government is opening itself up to all kinds of problems in this area as well. The bill does not make any sense. I am very glad to be on record as saying clearly that I will not support it. It is not in the interest of families. It is not in the interest of young people. It is not in the interest of family life. It is a so-called liberal move that will not be beneficial to the community and the people in this province.

Mr. Hennessy: When the task force of the Progressive Conservative Party appeared in the city of Thunder Bay, it was well advertised. In all, 13 people from various groups made presentations, including the police chief, the members of council, the Alcoholism and Drug Addiction Research Foundation and other people who have establishments selling liquor. Of the 13 people there, not one was in favour of having liquor, beer or wine sold in corner stores. At that time, they indicated to the task force they were not interested in having beer and wine in the corner stores.

For the government to say it is going to let the members of the city council make a decision to that effect is being unfair to the councils in Ontario because it is a very difficult question. There would be a lot of lobbying in different areas with regard to what would be done.

Therefore, with all due respect, if the minister is going to give them jurisdiction to say who is going to have beer and wine in the corner stores, why does it not give the jurisdiction to say who is going to have a liquor licence to sell liquor in the taverns and hotels? The government may as well let them issue the banquet permits, if this is the case. If it is giving them this jurisdiction, it is not passing the buck but it is giving the council authority for which it has no feeling and no legislation. Council does not make the laws with regard to the dispensing of liquor in the city of Thunder Bay. It is unfair to ask a council to go into that aspect.

I fully agree with the members who have spoken that the Brewers' Retail, and LCBO employees will lose their jobs if this goes into effect. They are very much concerned, and I can see their point. If it goes into the corner stores, from what I hear, a pack of 24 will cost \$2 more a case than it normally costs. Therefore, the costs will go up and the government will not solve anything in that respect.

The government has put out the reduce impaired driving everywhere program with regard to safety on the roads, where police try to spot people who are drinking and driving. The government is bringing in one program and, on the other hand, it is trying to bring in another program that would more or less make liquor available to people in corner stores. It is very difficult to have it going in both directions at the same time, to have a safe driving program and also to sell it in the corner stores.

The addiction research foundation is definitely against it. The chief of police in the city of Thunder Bay and the police force are against it. They know it will be a problem with regard to drunk driving in Thunder Bay and policing it.

There was some thought given to trying to expand the Brewers' Retail and the LCBO outlets. Why not look at the hotels as licensed establishments to have off-premises such as they have in Winnipeg and in other western areas? That would be more advisable for the simple reason that if a person has a liquor licence, he can lose a lot more—perhaps \$100,000 a week—if his licence is suspended. A corner store would not lose that kind of revenue. I am sure the LCBO would make sure these rules were kept.

I do not want to take too much time because there are other members who wish to participate in this debate. I am not in favour of beer and wine in the corner stores. I do not think two people in Thunder Bay have approached me and said they

were in favour of it. With all due respect, I ask the minister to reconsider his decision.

Mr. Callahan: Where does the member get his information and statistics that there will be jobs lost in the Brewers' Retail and that the overall net result will not be an increase in jobs? That is what my friend the member for Hamilton East was suggesting as well.

Mr. McClellan: The member for Brampton (Mr. Callahan) waited until the member for Hamilton East left to ask the question.

Mr. Callahan: I cannot help it if he cannot stick around in an important debate when he is so against this particular issue. One would think he would be in the House.

Mr. McClellan: The member waited until the member for Hamilton East had left the assembly and did not ask a question when the member was in the assembly. It is typical of that member.

Mr. Speaker: Order. The member has up to two minutes to make comments or questions on the previous comments by the member for Fort William (Mr. Hennessy).

16:10

Mr. Callahan: I did not have an opportunity to do that while the member for Hamilton East was in the chamber, because my good friend the member for Fort William was speaking and I did not want to interrupt him.

It seems to me that one has to have hard, cold statistics that say jobs are going to be lost rather than the rhetoric that is given to us by the third party. That is probably the reason the people in the riding of Hamilton East are not in favour of having beer and wine in the corner stores: members of the third party run around making this frothing-at-the-mouth statement that jobs are going to be lost. I suggest that defies logic, because in fact people will still be buying the brands that are not available in the corner store from the Liquor Control Board of Ontario.

However, the member for Fort William belonging to a free enterprise party, I cannot understand how he and his colleagues, who purport to be free enterprisers, can allow six major brewers to control the entire operation of Ontario. I cannot understand that.

I also cannot understand how the member for Hamilton East could make—

Mr. Speaker: The member's time has expired.

Mr. Offer: The member for Fort William made remarks with respect to certain advisory hearings taking place in Thunder Bay a while back. I was in attendance; I am the chairman of

that committee, and I would indicate that during the day we heard some very important and very constructive comments with respect to changes and modifications to the regulations under the Liquor Licence Act.

The question of beer and wine is not within the terms of reference of that committee, but I would indicate that the police chief of Thunder Bay, who is also the president of the Ontario Association of Chiefs of Police, took the time and the effort to make some very constructive comments, criticisms and concerns with respect to the regulations under the Liquor Licence Act of Ontario.

I would indicate to the member for Fort William that the comments and suggestions with respect to change under the Liquor Licence Act have been taken very seriously by the committee. We will be taking those into consideration in our deliberations, especially from many of the people in Thunder Bay and the surrounding area.

Mr. Hennessy: I will reply to remarks made by members of the Liberal Party. The member mentioned the loss of jobs. He is not aware that the liquor control board operates on a quota basis. If it sells X hundreds of thousand dollars' worth a year, that determines how many people it has in the store. If sales go below, say \$400,000 a year, one employee is dropped. If there are three or four employees—I do not know exactly, but that is the way the liquor control board operates; it goes by sales. It does not go by how many people come into the store; it goes by the amount of sales.

Just for the information of the Liberal members, there were people from the Brewers' Retail union and the liquor board union who appeared at that meeting. I am a little amazed that the Liberal member is against the working men of Thunder Bay. I am very surprised he would take this attitude. I am very surprised, with the problems we are having in preserving jobs, that he would deliberately say he does not care about the people in Thunder Bay in regard to their keeping jobs. With all due respect, the member has made a serious allegation that is not called for in this House.

Mr. Gregory: I am very pleased to have an opportunity to make a few remarks on Bill 134 and on beer and wine in corner stores. I suggest to the minister that one thing that makes me very unhappy is the method by which this bill is being introduced.

It reminds me of a very old story, which some members may recall, where a local politician was invited to speak to an Indian band. The Indian

band gathered on what used to be a buffalo wallow. They met there, and as the local politician was speaking and making this promise and that promise, the natives were saying, "Kalanga, kalanga." After they had done this several times, they were all walking out and the chief said to the politician: "Watch your step. Don't step in the kalanga." That is what the minister is doing. Believe me, the way he is doing it is a whole lot of kalanga.

Mr. South: Is that parliamentary?

Mr. Gregory: Mr. Speaker, is there anything unparliamentary about the word "kalanga"?

Mr. South: I am asking the member.

Mr. Gregory: I do not think there is. This piece of legislation is totally unnecessary, as the minister will be the first to agree. He knows as well as I do that it can be handled by order in council or regulation. It seems to me there is a very definite reason the Liberal government is presenting it this way: it wants the best of both worlds. Government members know what the polls says. They know as well we and the members of the New Democratic Party do that the majority of people are not in favour of this.

Before the most recent election, the Liberal Party promised it was going to bring in beer and wine in the corner stores. This way they can appear to attempt to bring it in while knowing it is not possible for it to pass, so they can tell people, "We tried to, but those mean members of the opposition would not let us." To the people who do not want it, the government can say: "You got your way. The legislation did not pass."

They are trying to have it both ways, and it is not necessary to do it. If they really want it, and if they want to satisfy those constituents they appealed to in the most recent election, they can simply bring it in by order in council. They do not have to fool around like this.

The other piece of kalanga in this whole exercise is that they are passing the buck to the members of local councils. They want to bring in something to satisfy their constituents but they have not, as the member for Hamilton West (Mr. Allen) has said, the guts to do it. They want to bring it in but give the responsibility to stop it to local councils. The Association of Municipalities of Ontario has told the government it does not want that responsibility. The association says, "If you want to do it, then do it and take the flak for it." The government should not pass it off on to the municipalities and make it seem their fault. I know the government would not hesitate to do so, if somebody complained.

The government is pretending to push the bill through. It knows full well the bill is not going anywhere. I do not need to add my voice to those who have already told the government they are not going to support it. We all know what is going to happen; it should not come as any surprise to anybody.

The government is not considering those young people of 16, 17 and 18 years of age who work in the local stores. It is not considering what this does. It is not simply a matter of hiring somebody of legal age to sell the beer and wine in the stores. A mom-and-pop store can probably afford only one young person to work there on a part-time basis. This means that young person cannot be there, by virtue of the fact there has to be someone of legal age who can sell the product. That eliminates a lot of jobs for young people attending school or whatever. It eliminates jobs they need very badly. I do not think the government is considering them in any way.

Another point is, why does the government expect that local storekeepers should be required to enforce our laws? In effect, that is what is going to happen. We know right now that upwards of 100,000 people, perhaps as many as 400,000, are turned away from Brewers' Retail stores in this province every year because they are too young and the employees of Brewers' Retail require them to show proof of age.

16:20

The minister is either very naïve or does not care, but the local storekeepers are not going to take the trouble to try to find this out. Why should they? Why should it be their responsibility? Or is the government going to pay them a commission to do so? I do not know. They are not going to take the trouble to do this, and I do not blame them for that. Even if the local storekeepers were willing to take on this responsibility, do we know they could do it in the effective fashion it is done through Brewers' Retail?

We know that as a result of these things there will be an increase in the use or misuse of alcoholic beverages by the young. That may sound as if I am some old fuddy-duddy who does not believe people should drink. That is not so. I can handle a bit myself from time to time—that is just as an aside.

I do not believe anybody should be deprived of having a drink provided he is of age, he can get it and, according to law, can drink it; but I do not see this idea of suddenly throwing it open so that drink is available in such an easy fashion. Members know these regulations are not going to be enforced in the corner stores. The consump-

tion by young people will increase. Also, the consumption by drivers will increase.

Through you, Mr. Speaker, to the minister—my tirade has scared him and he has gone away; oh, there he is—that is why I say there is a great relationship between this bill and the way it is being brought in and the meeting of the Indian band. If the minister proceeds in this folly, he should watch his step so that he does not step in the kalanga.

Mr. Speaker: Before comments or questions, the member for Mississauga East asked me if that was an unparliamentary word. I do not even know how to spell it. Could he spell it for me so I could look it up?

Mr. Gregory: I do not know how to spell it.

Mrs. Marland: In rising to speak to Bill 134, colloquially known as the beer and wine legislation, I must say this Liberal government is a sham. I want to read what the Oxford dictionary says is a sham, because it is relative to my comments. Under “sham,” it says: “feign, simulate; pretend to be; imposture, pretence, humbug; person or thing pretending or pretended to be something that he or it is not.”

The point I want to make at the outset is that one thing this Liberal government is not doing is listening to the people of Ontario. The difference between the Liberal members and the Progressive Conservative members of this House is that we care enough about the people of Ontario to go out and ask them what they want.

In September 1985, we established a task force. We were not so presumptuous as to make our own conclusions before we asked the people what they wanted. We established a task force, of which I enjoyed being a member, and we travelled around this entire province. Did the Liberal government do this? No.

One year later, the Liberal government established a task force. It made it very clear that its task force was looking into the liquor licensing laws of this province, but as the chairman of the task force said in this House a few minutes ago, the beer and wine issue was not within the purview of the committee.

What a waste of time this is. How can the Liberal government introduce a bill which it knows the people of Ontario do not want? It also knows that both opposition parties will vote against this bill and, therefore, that it cannot pass. It is purely a political game at the cost and expense of the people of this province.

It is pretty disgusting that while thousands of people are losing their jobs in the lumber and related industries in this province, all the

government cares about or cares about them is to bring in this sham legislation, taking up time instead of bringing in something that could be a remedy for the layoffs in the lumber and other industries.

I wonder how many Liberal members of this Legislature have even held a public forum in their riding to ask their constituents what they want. I would like to have tabled in this Legislature the evidence any single member of the Liberal government has that this bill represents the wishes of his constituency.

Who does this government listen to? Certainly not to the people of Ontario. They choose to ignore the Association of Municipalities of Ontario. At this point I would like to mention that my own municipality, the city of Mississauga, passed a resolution asking that this legislation not be brought in in Ontario. The government also chose to ignore the Alcoholism and Drug Addiction Research Foundation, the Ontario Provincial Police, school boards, teachers, the Ontario Association of Chiefs of Police. Recently, the Ontario Coroners' Association passed a resolution in opposition to this legislation.

How can this Liberal government ignore the opinions and wishes of these people, authorities and groups? Does this government know more? Does this government specialize in knowing what happens in the form of carnage on our highways? Does it know more than the Ontario Provincial Police? Does it know more than the chiefs of police association? I ask them this because, if they do know more, they owe it us to tell us their counterarguments to all these knowledgeable and informed people whose commitment to the people of Ontario is to serve and protect.

Do they think they know more than the elected officials in municipal governments? Are they saying the elected officials in municipal governments are less able than they to understand what the people of the province wish? In choosing to ignore the Association of Municipalities of Ontario, they are saying to all the mayors, city councillors and aldermen throughout this province: “We know more than you do. We know what the people in your cities, towns and villages want.” They seem to be so knowledgeable that they almost border on a dictatorship.

There is no question that some of the liquor licence laws in this province are somewhat antiquated. Nobody is arguing that point. We agree that a review could well be beneficial, but to make progress I respectfully suggest one must always move wisely, especially in making

change. Radical change makes about as much sense as going from flying a Tiger Moth biplane to flying a CF-18 jet fighter.

I have agreed with and been grateful for all the progress this province made under the previous Progressive Conservative government with the drinking-driving countermeasure programs such as the high school accident reduction program. It seems to me to be absolutely idiotic to spend millions of dollars on that program of prevention, only to follow it by making beer and wine more easily available.

One of the things we hear about all the time is that there is no problem in Quebec and the United States. I have a brief here that was presented by Superintendent Barry King of the Peel Regional Police. At this point I would like to point out that Superintendent King is in the same police force that serves two other members of the legislature who were here this afternoon, the member for Brampton and the member for Mississauga North (Mr. Offer), who by their comments this afternoon are totally in support of this legislation.

16:30

When he spoke to our task force, Superintendent Barry King said he was speaking on behalf of the Ontario Association of Chiefs of Police, among others. I want to read a very short excerpt about what he said is happening in the United States. It is supposed to be so great in the US, but when I read these figures and heard this report, all I can ask is why we would want to emulate the US. He said:

"At this point, it is necessary to consider lifestyle in the USA, where liberal liquor laws have been a way of life. In 1983:

"(a) 26,000 Americans were killed due to alcohol-related accidents (equivalent to two fully loaded DC-10s crashing each week). In 1980 alone, 8,000—"of those killed—"were teenagers."

What is so magnificent about the US liquor laws that we would want to emulate those statistics? It is also a well-known fact that in the US, according to the comments made by Superintendent King of the Peel Regional Police, the relationship between violent crime and stores being open late at night and having large sums of money, as the liquor stores in the US do, is a very real one. The crime rate in the US—and everybody knows what that is—is not something I look forward to welcoming in Ontario.

I also want to quote from a letter written by someone who knows what impact this legislation will have from a social services aspect. This letter is from James Crozier, who is the commissioner of social services for the region of

Peel. This letter was copied to the member for Brampton and the member for Mississauga North. Both members chose to ignore someone who has slightly more knowledge—in fact, a great deal more knowledge—in this area than either of these two lawyers.

Mr. Crozier says in his letter:

"Is it so coincidental in raising my concern that I note that the bill includes heavy penalties for improper sales?" I am sorry the Minister of Consumer and Commercial Relations (Mr. Kwinter) is not in the House to hear this letter.

"This very concept implies the bill in itself is wrong.

"Is it so coincidental in raising my concern that this very November I will be speaking at an addiction conference in Peel calling for the establishment of a detox centre?...

"Is it ever so coincidental that only today, October 16, I receive an invitation to Counter-measures '86, signed by the Attorney General for Ontario, which is a call to arms to fight against drinking and driving."

Mr. Crozier ends his letter—and I think this is very significant—by saying, "My concern is humane and not political." That sums up better than anything I can say what this bill we are discussing today in this Legislature represents. It is purely political and it is certainly not humane. It is interesting that elected members from the region of Peel, the city of Mississauga and the city of Brampton chose to ignore the wishes of their own city councils and their own region of Peel.

In closing, I would just say I did hold a public forum. I do not want to lay out the challenge about what the Liberal government or Liberal members have done without telling members that one year ago, on November 19, I did hold a public forum on the subject of beer and wine in the corner stores. At that forum, we had questionnaires completed and, as a result of the publicity on that forum, we received after that meeting 394 telephone calls, all of which have been catalogued with names, addresses and phone numbers. I can verify every one of them. The overall consensus in Mississauga South, as a result of that public forum and the telephone calls we received, is very clearly eight to one opposed to this legislation.

This bill should never have been presented in this House and it must be defeated.

Mr. Callahan: I would like to address a couple of items the honourable member put forward.

Mr. McClellan: The member opposite is going to be on the back bench for the rest of his life.

Mr. Callahan: That is fine. She indicated it would be a radical change, and then her colleague asked why we did not do it by regulation. We did not do it by regulation because we did not want to bring in a radical change. We wanted an opportunity to—

Mrs. Marland: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The members have up to two minutes to make comments, and the honourable member has an opportunity to respond.

Mrs. Marland: I understand that, but I do have a point of order.

Mr. Speaker: What is your point of order?

Mrs. Marland: My point of order is that I understand fully the two minutes, but is it in order for this speaker to use a portion of his two minutes to ask a question of a previous speaker when he could have used two minutes to ask him a question?

Mr. Speaker: Order. The provisional standing orders say a member has the opportunity to rise to make comments or ask questions on anything said by the previous speaker.

Mr. Callahan: On a point of privilege, Mr. Speaker: My privileges have been infringed upon by the member for Mississauga South (Mrs. Marland) in that the clock is now at 36 seconds because she used it up raising a point of order. In fairness, I ask—

Mr. Speaker: I am sorry. I asked the member to leave her remarks until she had time to respond, and she was not willing to. Do you wish to continue for 10 seconds?

Mr. Callahan: I will leave it to someone else.

Hon. Mr. Kwinter: I want to apologize to the previous speaker that I was not in the House. As she knows, I have sat very attentively listening to everybody. I did not want the member to think I was slighting her in some way because I walked out while she was speaking. She should know that I and other members of the House had to attend the Lieutenant Governor, who gave royal assent to the hospital bill. That was the reason I was out. I apologize for not being here during her presentation.

Mrs. Marland: I appreciate the explanation of why the Minister of Consumer and Commercial Relations was out of the House during my speech. I personally appreciate the fact that he

would have wanted to listen to me so intently otherwise. I feel it is a tremendous regret to this whole province that he has not chosen to listen to the people of the province as well as to the speakers on this side of the House.

Mr. Morin-Strom: I am pleased to have an opportunity to make some remarks on this legislation, Bill 134, on the issue of beer and wine in the corner stores.

This is an issue that seemed to come up on the spur of the moment during an ill-thought-out campaign in the last election. There does not seem to have been any thinking in advance by the Liberal Party about why it would pursue this as an issue. While it did generate some popular support at the time of that campaign, after further consideration by groups across the province and the public in general, it has become clear that this is an initiative that is not in the best interest of the province or our citizens. We are in a fortunate circumstance in our democratic representation in that we have a balance among the three parties, which enables a majority of the population to be reflected in the results we will see later today in the defeat of this bill on second reading.

16:40

It is clear that this promise was made in an ill-conceived manner and that the public opposition to it has continued to grow throughout the year and a half since the proposal first came forward. It is interesting to see what an Angus Reid poll indicates is the public's view of this issue. That poll indicates that 82 per cent of the public believe that beer and wine in the grocery stores or corner stores will increase sales to minors and only five per cent believe it will lessen them. The same poll also showed that 77 per cent believe it will increase sales to the impaired, while only six per cent think it will lessen them. As well, 70 per cent believe it will lead to increased impaired driving, while only seven per cent think it could possibly reduce these concerns.

We face serious concerns about the effect of drinking on the accident rate in this province, on our health care costs and on social costs of caring for those who have problems with addiction and alcoholism. As well, we have the serious concern of young people and the access this would undoubtedly provide to them.

I will take my own case of Sault Ste. Marie. A survey was done by the police force in Sault Ste. Marie, Michigan, of the outlets in that area that have beer and wine for sale. Of 30 outlets, more than 20 per cent had the opportunity for young people to go in and purchase supplies of beer and

liquor. The test was done by bringing young people into the establishment and seeing whether they could make the purchases there. The fact is that the system will not work nearly as well as it does under the current controls and the limited numbers of places where either beer or wine can be purchased in the province.

These social concerns have been echoed by numerous groups across the province, from police forces to social work groups, the Ontario Medical Association, the Alcoholism and Drug Addiction Research Foundation and, of course, the Association of Municipalities of Ontario. AMO has particularly expressed strong concern at the cop-out by the current government in putting the onus of responsibility on individual municipalities by having the municipality decide whether or not it wants to go along with this piece of legislation and permit it in its municipality or to veto it locally.

There are concerns about the possibility of increased hours of operation and increased numbers of stores that will provide access to beer and wine. I think now there is a clear majority across the province that wants to see this bill defeated.

Besides the strong social concerns, there are also the economic considerations. The cost of distribution is going to be much higher for each of the beer suppliers and the wineries in this province to service the number of outlets that would require servicing.

I have talked to the administrative heads at Northern Breweries in Sault Ste. Marie. They are an interesting case, because they have both beer and pop production in their operation. They know the difference in cost between the distribution system currently provided by Brewers' Retail in northern Ontario and their costs for distributing to all the corner stores. Basically, what we are looking at here is the cost of their pop distribution.

Their estimated cost difference is somewhere between \$2 and \$3 per case. There is a definite cost penalty. In northern Ontario, we have particular concerns, because right now the prices of beer, and for that matter of wine, are the same at the Brewers' Retail and LCBO outlets across this province. As a result, we are seeing one item at least that consumers purchase where we are not at a cost disadvantage compared to southern Ontario. It is a very rare case and one we would certainly like to see extended to basic products such as milk and also to a major commodity such as gasoline. However, beer is one where we have that opportunity now. There have been grave

concerns expressed by Northern Breweries and others across the north that it will not be available to us in the future.

As well, Northern Breweries has indicated it feels it is likely to be forced out of business within several years as a result of this type of legislation. Its primary concern is in the area of getting shelf space in the stores. It is well known that stores have limited space, and they are going to supply a limited selection of the products which have the biggest brand names and the widest advertising across the province.

As a result, Northern Breweries has grave concerns that it would be discriminated against. To use the numerical analogy of pop distribution, the opportunity of buying shelf space and requiring major advertising in order to get the shelf space would result in a situation like that for pop, where basically only Pepsi and Coke are supplying the cola market. We would end up with two or three major brands of beer being the predominant ones in the corner stores.

I also have some strong concerns as a result of the discussions we have had on the free trade issue and the presentations we have heard through the select committee on economic affairs on what the consequences of the General Agreement on Trade and Tariffs rules, to which Canada is an adherent, may be as a result of this type of legislation.

Currently, we are in a very favourable situation in having essentially 100 per cent Canadian content in terms of beer distributed through the Brewers' Retail because, to distribute through those operations, one has to produce the beer in this province. This is a provision which has been grandfathered in, because it was in place before the GATT regulations on fair trade practices were established.

Under the current GATT regulations, in our province one could not restrict the corner stores to distribution of Ontario-produced or Canadian-produced beer or wine. The Liberals are well aware of that. The consequence would be the opportunity to flood our market with beer from plants such as Stroh Brewery, which I believe has a plant mothballed in Ohio with the capacity to supply the complete Ontario market.

In terms of the jobs currently in the brewing industry and in the distribution of beer, we in Ontario cannot see any advantage in opening up complete access to our beer market and potentially to our wine market through a challenge to this piece of legislation as undoubtedly will come forward from the United States and other

countries that would like to supply these new outlets if we move ahead with this legislation.

We are giving the Liberals a chance to get away from this piece of legislation. I hope they do not continue to pursue it in the future. I am very pleased we will be given the chance to vote on this and exercise our democratic right and the will of the people of this province to defeat this bill this afternoon.

16:50

Mr. Davis: I rise to register my opposition to the initiative of this new government, an initiative which it would like to indicate moves Ontario into the 20th or the 21st century. The government forgets there are economic and social consequences to this legislation. When it debates the bill, it tries to hide and ignore the kinds of complicating factors that exist.

The Alcoholism and Drug Addiction Research Foundation, a world-renowned institution, has indicated that consumption would increase if grocery store sales were allowed. At some point, individuals, who look for leaders to give them information in areas where they do not have a lot of information, look to the addiction research foundation. I accept that premise, and I believe this step will increase consumption especially among the young people of our province.

I have been informed that in 1985, approximately 384,000 young people were challenged, based on the age of majority, within our liquor and beer outlets. The grocery system distribution could result in a much more lax attitude in challenging underage drinkers.

I recall when I was in my other profession in a small town north of the city of Toronto—

Hon. Mr. Nixon: The oldest profession.

Mr. Davis: The oldest profession. The Treasurer has to be careful with that.

Hon. Mr. Nixon: Priests have been around a long time.

Mr. Davis: Have they?

Interjections.

Mr. Davis: I will speak for ever.

One of the concerns of that small community was the drinking among underage teenagers. They were able to acquire their beer or wine through adults purchasing it for them or their not being challenged in the local outlets. I remember talking to a group of them, suggesting that when they go to the back roads to engage in their parties, it might be more appropriate that one of them be designated the driver for the evening, as we have seen occurring in our society, so they could all get home safely. The sad thing is that I

was present at about four funerals of those young people.

What is disturbing to me is that while the Attorney General is continuing the previous government's policy of bringing in much harsher laws dealing with drinking and driving, this Liberal government is suggesting in this policy that we avail the public of a greater opportunity to acquire beer and wine in the local stores and therefore contribute to and enhance the drinking and the drinking problems of young people in this province.

I am surprised that the Minister of Education (Mr. Conway) in this government has not indicated to his colleagues that the school systems in this province are already suffering and dealing with abuse of alcoholism, never mind drug-related incidents. Youngsters go home at lunch hour and engage in little parties and then go back to class with alcohol on their breath or in a state of inebriation. I am not talking about high school students; I am talking about elementary grades. It is a known fact that in this province there are young children who at the ages of 12 and 13 are already suffering some addiction to alcohol. I have great difficulty with this government in wanting to catch the wave of modernization by introducing this bill.

I have deep concern about the employment crisis this bill will create. In the city of Scarborough, in my riding, I have met young people who are filling out job applications for part-time work to help them meet expenses that need to be met within a family income, and perhaps taxing the family income in this age, while they go to school. Many of those young people are working in the local corner stores. As I understand this bill, a youngster under the age of 18 who is employed in one of those stores, as many are now, will not be able to partake in the sale of alcoholic beverages. That leaves the manager of those stores with only two options: either he must be there full-time, or he must ensure that an adult, 18 years of age or over, is on the premises to sell and distribute the alcoholic beverages.

I note with great interest that there is a substantial penalty levied against the grocers for selling liquor to children under the age of 18. If the bill is passed, and God forbid it will be passed, I wonder how we will then deal with the question of whether one is technically breaking the law if one allows an under-18 person to buy a case of beer.

One looks at the record of this government on law and order, and it is a disgrace. Cabinet

ministers are caught within the conflict-of-interest guidelines and breaking them, and the Premier, a man of honour, a distinguished gentleman, stands up and says they are only technically breaking the law. A number of stores across the province flout the laws and open on Sundays; again, ministers of the crown stand up and say they are only technically breaking the law. One looks at the Morgentaler clinic, which is in direct contravention of the Criminal Code, and the Attorney General of this province stands up and says it is technically breaking the law, but there is no action forthcoming.

With all due respect, I suggest the large grocery stores will incorporate the sale of beer and wine into their markets very quickly and they will do it one of three ways. Either they will do it as a court challenge under the Constitution, claiming they are being discriminated against; or they will effectively lobby the weak-kneed government of the Liberals, who cave in all the time—they will send in Ivan Fleischmann—or they will technically break the law and get away with it.

I also have concern for the estimated 500 people who will lose their jobs with the Liquor Control Board of Ontario by the year 1988. I am concerned about those who will lose their jobs because of this issue and this government, a government that has no compassion and no concern for the labour people in this province, as demonstrated by its cavalier, opportunistic attitude with respect to the stumpage fees, which we have already heard today, and the layoff of some 200 workers in the north, who will face a bleak winter. They are insensitive. It is a shameful type of inaction.

17:00

One of the concerns that will be developing, which the police in the city of Scarborough and in the riding of Scarborough Centre have expressed to me, is that of rising crime and vandalism. I ask members to consider for a moment this hypothesis. A group of youngsters 16 or 17 years of age comes to the local store and attempts to buy two 24s and a couple of bottles of wine to party, already under the influence of alcohol. The local grocer says: "I cannot serve you. You are under age. You have been drinking."

He is put in a tremendous quandary. The parents constantly shop in his store. If he refuses to deliver the beverages the youngsters want, will the parents somehow take action against him by not shopping again?

Mr. McGuigan: Is the member saying the parents are in favour of it?

Mr. Davis: I did not say that. I asked whether the parents would no longer shop there because their son had been discriminated against.

Mr. McGuigan: So they are in favour of it.

Mr. Davis: No, I did not say that. The member opposite said it.

Or if they are refused, do they come back later in the evening and break windows or threaten the grocer? In the United States, as we know, especially those in cabinet who are allowed to travel, when the Treasurer allows them to venture outside the province, outside Canada to the US—

Mr. Brandt: They can go anywhere now.

Mr. Davis: Can they go anywhere now? That must be new policy, a new initiative.

When one goes to Detroit, Chicago, New York, Miami, Fort Lauderdale or Tampa and visits the local grocery, where they do dispense alcoholic beverages, what does one see? One sees bars and sophisticated burglar alarms and other equipment to prevent break and entry.

It is interesting that the Ontario Association of Chiefs of Police has said it is opposed to this.

Hon. Mr. Nixon: In its recent convention?

Mr. Davis: It has always been opposed to it.

What we have then is the possibility, and a most definite possibility, that there will be an increase in vandalism on the streets of our communities. What is very interesting is that in the light of that kind of information, when one considers the recent report of the Metropolitan Toronto police saying they already do not have enough officers to look after the control of crime on the streets in this city, this government is suggesting we even increase that responsibility for a manpower force that is not able to deal with it.

Perhaps the most devious, underhanded part of this suggested policy is that this government, the Premier and the ministers of the crown said in 1985, when we fought the election: "We believe the people of Ontario are qualified and ready to have beer and wine in the local corner stores. That is a policy we champion. It is a policy we articulate and defend constantly across this province." That is what they said as we competed with one another in the recent election.

Then, by sleight of hand and an illicit marriage between two parties, the new government takes over. What does it do then? What we see is an abdication of responsibility, an abdication of leadership, an abdication of its own philosophy and an abdication of its own policy. The Liberal government does not have the guts to enact its

own legislation. It can do it without bringing it in this House, as we all know. A government that is open to discussion and consultation has done it without consulting the people of this province.

Then what do they do? They back off. They go into the back corners and say: "Now we are going to introduce it, but we are not sure the people of Ontario really want it. We will lay the whole ball game on the backs of the elected municipal councillors, reeves and aldermen of this province. They will make the decision. They can pass a bylaw that allows them to enact it."

Shame! They are gutless. If they believe the people of Ontario want beer and wine in the corner stores, let them enact the legislation. They should not be allowed to place that decision on the backs of the people who are elected without this kind of qualification being placed upon them. I am ashamed of them; I am. They do not stand up for their philosophies.

Mr. Wildman: Let us have a vote on that.

Mr. Davis: Does the member want to vote on that? How many people are ashamed of them? Members put up their hands. They lose.

Interjections.

The Acting Speaker (Mr. Morin): Order.

Mr. Davis: I think that is unfortunate. I think it is a flip-flop on the part of the Premier, who has said to the public, "Yes, we are going to introduce the legislation, but by the way, your local council or your local board of control has to enact it."

Mr. Speaker, how would you like to be one of those representatives, elected to ensure the smooth operation of your municipality? Big Brother government looks down upon you and says: "By the way, I am going to add one more little thing to your jurisdiction. You decide whether you are going to have liquor and beer sold in your municipality."

It is an abdication of responsibility, a total abdication.

Interjections.

The Acting Speaker: Order.

Mr. Davis: Take it easy. The members will get a chance to come back at me. Hold on; wait.

I oppose this legislation on the following grounds. It will increase alcohol consumption in our province, and it will increase alcohol consumption among the young people of our province and in the city of Scarborough in my riding. It will create unemployment, both among the youth of our province and within the industries that have already been established. It will increase deaths among young people

through accidents caused by drinking and driving. Finally, I oppose it because this government does not have the fortitude, strength, courage or conviction to enact its own laws. They place it on the backs of municipally elected people.

I look forward with great pleasure to voting against this piece of legislation.

Mr. Wildman: I want to make some comments about this legislation, following along from the member who just spoke. I agree with his view that it is unfortunate this government is using legislation as a ploy. It is true that if they were serious about wanting this legislation passed, they could pass it by regulatory change. However, I am glad the government chose not to take that route.

I am glad the government prefers to have the matter debated in the House and a vote taken of the elected representatives of the province. There may be two reasons for that; one is a desire to have the elected members of the House express an opinion on behalf of their constituents, and the other is the fact that this government does not really want to have the measure passed.

17:10

I have done a lot of thinking about this matter, not just since this legislation was suggested by this government or in the election campaign previous to the change of government, but in other debates that have gone on from time to time in this House on the matter of the sale and distribution of alcoholic beverages in this province. It is one about which I have done a lot of serious thinking, and I have come to the conclusion that I cannot support this bill. I do so for a number of very serious reasons which I think the members of this House should consider.

First, it is no secret that the problems related to alcohol consumption in this province are even greater in the northern part of the province. Every statistic related to alcohol consumption in Ontario is worse in the north. I do not make any apologies for that. It is not just a northern Ontario phenomenon; it is a northern phenomenon. It is true in the northern parts of Quebec, the Northwest Territories and the Yukon. It is true, for that matter, in the northern states compared with some other parts of the United States. It is certainly true in northern Europe, in Scandinavia compared with southern Europe and in the northern parts of the Soviet Union and Siberia compared with the other parts of the Soviet Union.

I do not know the reason for this phenomenon. It does appear to be a northern phenomenon. There is a tremendously high consumption of

alcohol in our part of the province. That produces all the concomitant problems and worsens them in our part of the province where we have fewer treatment facilities and less therapy available than they have in other parts of the province. For those reasons, I am very concerned about anything that might contribute to increased consumption in our part of the province.

When we are debating this legislation in this House, we should all recognize that we are talking not only about beer and wine in corner stores or a distribution process but also about the effects of alcohol in our society and how we as legislators should respond to some very serious problems that we all face in this province and that we face in even greater proportions in northern Ontario.

Alcoholism is Canada's third most prevalent disease. According to the Ontario Medical Association, it is exceeded only by heart disease and cancer. According to the Alcoholism and Drug Addiction Research Foundation, in 1981, there were 25 alcoholics per 1,000 Ontarians. I will use my area of northern Ontario as an example. I am not singling it out because it is typical of other parts of the north; alcoholism is not as serious in Algoma as it might be in some other districts in northern Ontario, but I will deal with my own district.

There are 25 alcoholics per 1,000 Ontarians across the province. In Algoma district, the figure in 1982-83 was 44 alcoholics per 1,000. That ratio represents 4,600 individuals suffering directly from alcoholism in the Algoma district, which has a total population of approximately 145,000. That does not even mention their family and friends, who of course are affected by their alcoholism. Therefore, I do not approach this debate lightly, nor do I approach lightly my responsibility as a representative of the people of Algoma, the people who are directly affected by these higher statistics in my part of the province.

In 1981, in my district, more than 2,600 alcohol-related offences were committed. I am very concerned about what might happen to that statistic if we have beer and wine distributed through corner stores. I have only to look across the border at Michigan to see some of the problems that are related to the 7 Eleven Food Stores, or so-called party stores, in the small communities in northern Michigan. As I said, this is not just a northern Ontario phenomenon. Although I do not have the figures at hand, I suspect the statistics for alcohol consumption in northern Michigan are higher than they are in the southern part of that state.

The minister would have us believe that this legislation will not increase consumption, that increased accessibility of alcoholic beverages will not necessarily lead to an increase in consumption. The minister has said that repeatedly, but he has not given any evidence to indicate that this is the case. He seems to be saying that because it cannot be proved that increased accessibility will lead to increased consumption, therefore we should proceed and look at the statistics maybe 10 years hence and we will find out whether he was right. If he is wrong, we are taking a chance. We are playing with lives, with the lives of young people and those of older people in our province and in my district, which I am not prepared to do.

Public opinion indicates that the majority of people in the province believe that increased accessibility will lead to increased consumption, particularly among the young and those who are already drinking heavily. The Angus Reid poll, which has been referred to several times in this debate, in 1985 indicated that 82 per cent of Ontarians believe that sales to minors will increase if beer and wine are sold in grocery stores, that 77 per cent believe sales to drunks will increase and that 70 per cent believe the problem of impaired driving will get worse.

Mr. D. R. Cooke: They have not looked at the Quebec statistics.

Mr. Wildman: I am going to deal with Quebec in another aspect in a moment.

It is this probability of increased consumption that leads the New Democrats in this House to oppose very strongly the sale of beer and wine in grocery stores.

I want to comment briefly on the aspect of this legislation that deals with local option. I represent 20 to 30 small municipalities. When I talk about small, I mean small. The largest community in my riding has between 4,000 and 5,000 people. I think the smallest municipality has 60 ratepayers. There are large expanses of my riding that are not organized municipally at all. Some of them have populations ranging from 2,000 or 3,000 down to less than 100.

I do not like the aspect of the legislation that deals with local option for this reason. If it were a positive local option, I might have more sympathy with it. In other words, if it were the same kind of approach we used to have when a municipality could vote itself wet—it was dry and through plebiscite could vote itself wet—I would accept that. If the ratepayers of a municipality could have a plebiscite at the time of a municipal election and could vote to have beer and wine in

its corner stores, that would at least be consistent with the historic approach to this in the province. This option is not that they can choose to go with this legislation, but rather that their elected municipal council can make a decision not to go with this legislation.

It is a negative type of local option. I do not like it because it is negative. I also do not like it because of the pressure it is going to put on small municipal councils. It might be quite possible for a large municipality such as one of the municipalities in Metro Toronto to deal with this, because we are talking about almost completely full-time councils with aldermen who are working full-time. However, when one is talking about a small village where everyone knows everyone else, can the members imagine the pressure the local councillors are going to be under, both pro and con? I do not think that is fair.

It has been suggested in this House that councillors are elected to make decisions. They are elected to make decisions, but so are we; that is why we will be making a decision against this legislation in this House today. I do not want to pass the buck to the small councils and the small municipalities in my riding. I am prepared to make a decision here. That is what I believe we are elected to do.

17:20

It has been argued that in northern Ontario there is a problem of accessibility to alcoholic beverages because we have a lot of small communities that are great distances from one another. If that is a problem—and I think it is in some cases—then the way for this government to go is to establish more agency stores in those small communities. The reason I prefer agency stores for the sale of beer and wine to corner stores, convenience stores or grocery stores is that those agency stores are under the same direct supervision as the stores of the Liquor Control Board of Ontario; they are agents of the liquor control board.

I do not think we should be moving to try to make a large majority of the small grocers in this province agents of the liquor control board. The board will have to greatly increase its staff of inspectors to have the kind of control needed. That is not practical and will not happen.

If the government wants to increase accessibility to deal with distances between small communities in the north, it should create more agency stores; it should not have beer and wine sold in the corner stores.

Another reason many people in northern Ontario are opposed to this legislation relates to the experience we have seen in Quebec.

Not many years ago, the people in northern Ontario had to pay a differential. We had to pay five cents more for a pint of beer in northern Ontario than in the southern part of the province. We pay a differential on many products in northern Ontario; we still pay one on milk and gasoline. It would be nice if the government would do the same thing for those products as the government of a number of years ago did for beer. By edict, the government decided that there would be one price for beer in Ontario, that the people in southern Ontario would pay a couple of cents more so the price in the north could be equalized. I am very much in favour of that.

If we look at the experience in Quebec, we will find that the implementation of this kind of legislation will mean the end of one-price beer for northerners in this province. In Quebec, the prices for beer range from—I am talking about cases of 24, and I have a few areas. Let us take Montreal as representing the urban southern price; the price there is \$16.25 for a case of 24.

Mr. Guindon: That is \$3 cheaper than here.

Mr. Wildman: Yes, it is cheaper than here.

If we compare that to some remote areas of the province—let us take the Magdalen Islands; that is remote—the price for a case of beer in the Magdalen Islands is \$16.90. At Sept Isles it is \$16.75. I do not have the price for Baie Comeau, but I have it for the North Shore, where it is \$16.65. In the northwest part of the province, at Abitibi, it is \$16.55. At Gaspé it is \$16.50. At Lac-Saint-Jean it is \$16.40.

The reason we are given for the difference in price is distribution. I can tell members right here and now that if this legislation is ever passed in this province, we in northern Ontario will have the same excuse given to us to explain why we should have to pay more for the beer we purchase in northern Ontario than is paid in urban centres such as Toronto. Frankly, it took us too long to persuade the government of this province to equalize the price for us to give it up now.

In Quebec, where they have a system of distributing beer that makes use of convenience and corner stores, Price Waterhouse estimated the cost of distributing beer per case to be \$4.31 in 1985. In Ontario, the distribution price per case is only \$1.92. I ask members, why does this government want to increase the distribution costs for beer in this province so that people in the small northern communities will end up paying more?

Mr. D. R. Cooke: That is the Brewers' Retail study, is it, that the member is reading from?

Mr. Wildman: Is the member suggesting that Price Waterhouse does not have integrity, that it does not report its findings—

Mr. D. R. Cooke: I just asked that the member identify it.

The Acting Speaker: Order. You will have a chance to reply to him later on.

Mr. Wildman: That is what I said: a Price Waterhouse study. Far be it from me to question the integrity of Price Waterhouse. The member opposite may wish to do so.

Mr. D. R. Cooke: I am asking for identification, not integrity.

The Acting Chairman: Order.

Mr. Wildman: A decentralized system of distribution such as that in Quebec is more expensive, chiefly because of the increased number of middlemen. Our experience in the north tells us that we will share disproportionately in those increased costs. I firmly believe that allowing the sale of beer and wine in convenience and corner stores and grocery stores will mean the end of one-price beer in Ontario. For that reason, on behalf of my constituents, I will vote against this legislation.

Mr. McFadden: I am very pleased to have the chance to speak in this debate in opposition to the bill now under consideration for second reading.

Any Legislature should embody the values for which a society stands. A Legislature should also, through its legislation, its debate and its conduct, advance healthy community and social values for the country or the province in which that Legislature is charged to act.

I ask now what values this bill seeks to communicate about our society or to our society. Will this bill in any way strengthen family life in Ontario? Will this bill enhance our neighbourhoods? The answer is no. What message does this bill have on alcohol abuse, underage drinking and drinking and driving? The message is negative.

With this bill, we will see the most major increase in the distribution and availability of alcoholic beverages ever undertaken in Ontario history in one single act. We have that in the face of concerns of the Attorney General about underage drinking and drinking and driving.

We cannot have it both ways. This bill transmits to the people of Ontario a feeling that this Legislature, if the bill were to be passed, feels alcohol should have broad distribution and dissemination throughout Ontario, without any regard for its harmful effects, without any

recognition that distribution and availability can have a major effect on abuse and consumption.

The question we should consider here is, are people in Ontario being denied beer and wine? Is there a massive problem out there such that we should increase by 12,000 the number of outlets that would be able to sell beer and wine? I have never met a person in Ontario who has ever come to me and said he could not buy beer and wine. I have never received a letter from anybody who has said that he cannot get a beer or a bottle of wine or that he is being deprived of alcoholic beverages.

17:30

The minister has said this bill is being passed on the grounds of convenience. The word "convenience" keeps coming up. The current situation in Ontario is not tremendously inconvenient, certainly not so inconvenient that we have to enact legislation that will have such a sweeping effect on the distribution of alcoholic beverages throughout the province.

There are modifications to the legislation that potentially could be undertaken. For example, we could follow the western model and have the sale of beer and wine from licensed premises. In that situation, we would have the sale of alcoholic beverages in bottles and so on through hotels and restaurants that are set up to deal with beer and wine. They have the proper facilities; they have staff that is concerned about underage drinking and used to dealing with it. What we are proposing to do with this bill is to make available the sale of beer and wine in stores that are not set up for it, not currently aware of the existing law and will find dealing with the existing law difficult, if not impossible.

Who has come forward in opposition to this piece of legislation? It is not only members of our party or of the New Democratic Party. The Association of Municipalities of Ontario, the Ontario Association of Chiefs of Police, the Ontario Medical Association, the Alcoholism and Drug Addiction Research Foundation, various school boards and teachers, and Alcohol and Drug Concerns have come out against this legislation. These are not organizations that have a vested interest in the sale of alcoholic beverages; these are people who have a legitimate concern about the effect this legislation will have on our community.

One of the members opposite talked about Labatt's being against the bill. That is not the issue. It is true that all the breweries have come out against it. However, what is more germane is the number of groups in our society—the addic-

tion research foundation, Alcohol and Drug Concerns, the Ontario Medical Association—that have no vested interest in the passage of this bill, except they are worried about what it will do to underage drinking, drinking and driving, and the overall abuse of alcohol. The list of groups and organizations that are coming out against this bill in our community is growing.

I know the Premier is concerned about his image. He talks about being modern. We are not talking about being contemporary or modern; with this legislation, we are talking about what is right for our society and our community and what kind of values this legislation transmits from the Legislature. I suggest that this legislation is wrong for our society. It is wrong for the impact it may well have in the long run for Ontario, for the young people and for families in this province. Therefore, I stand in opposition to this bill, and I am proud that my party stands in opposition to it as well.

Mr. Pollock: In rising to take part in the debate, I do not want to go through a whole lot of repetition on this bill; most of the points have already been covered. I truly think it is going to interfere with the General Agreement on Tariffs and Trade.

This bill is supposed to help small business and the small independent store. I am pretty sure the supermarkets will find ways to get around that, and they will certainly be handling beer and wine if we let the small independent stores handle it. In fact, I already have a petition from a group of people at a supermarket asking why they are being discriminated against. The wheels are already turning, and I feel certain that if we pass this bill, the supermarkets will eventually find ways to handle the product.

I come from a rural area, and I have witnessed a lot of small general stores close down. I know there are people in the few remaining general stores who think this is going to be a great thing for them; I think it is going to be fool's gold. Back when times changed, farms got bigger and that sort of thing, people drove into town to get jobs. When they were in town, they shopped in town, and the little independent general store started to lose business; it was not able to keep the stock, and eventually more people went into town and did their business there. The very same thing will happen with beer and wine in the small independent stores: They will not be able to keep the stock or the quality. If this bill passes, eventually the supermarkets will be able to take over that end of the business.

If there is to be any change, I am in favour of the western system, whereby licensed establishments such as hotels and motels handle the sales. They can supervise it; they have already been involved in this line of business. I have no problems with that. It might mean a few more outlets, but it will be supervised.

I am concerned about this bill, and I am going to vote against it.

Mr. Jackson: I am very sad to have to rise today to respond to this piece of anti-family legislation. I know it has upset the Treasurer, but it is especially going to upset the member for Halton-Burlington (Mr. Knight), because he well knows the highest cause of death of young people in Halton region is directly related to the consumption of alcohol.

A rather tragic case occurred in the town of Milton, involving the loss of six young people at one railway level crossing. In the coroner's inquiry, it was clear that most of the responsibility was the manner in which the students obtained alcohol that evening, and the deaths were totally attributed to the consumption of alcohol by those minors. I wonder who is speaking for the families in Milton when the member for Halton-Burlington, a member of the Liberal government, refuses to acknowledge the real tragedy that this kind of legislation will potentially bring to the young people in our province.

17:40

The government has been inundated with petitions and letters, but the most significant ones are from those families that have suffered the tragic loss of their loved ones because of alcohol-related traffic deaths. The high school teachers and the physical education teachers of Ontario have produced petitions at great length appealing to this government to withdraw this bill.

It is somewhat appropriate that, on behalf of the community of Burlington, the Solicitor General (Mr. Keyes) is in the House today for this debate. He is keenly aware of how efficient the Halton Regional Police and the Burlington detachment are, that all uniformed policeman are required to be out on the roads in that community, that we have very few policemen currently operating in that region and that this legislation clearly is going to tax their already overtaxed responsibilities.

Who is going to provide the additional moneys required to increase the necessary coverage to have responsible police protection to respond to this legislation? I seriously doubt that the Solicitor General has given this matter the

thought that is required to ensure the kinds of safety and protection that Ontario citizens have come to enjoy and respect in this province.

I close with a reference to why I believe fundamentally we are faced with this legislation. I firmly believe this was nothing more than an election gimmick that has been allowed to manifest itself in legislation purely on that basis. We saw this with Bill 94 where, in spite of what is in the best interests of the citizens of this province, we had a government that rushed to make a decision to ensure that its election promise was maintained and upheld so that it could say, "When we promise something, we deliver."

In spite of the negative implications and in spite of the potential human tragedy that will occur as a result of increasing access of our young people to alcohol, the government is determined, in spite of good judgement and sensitivity to the needs of Ontario, that it is going to ram through this piece of legislation. I will not be supporting it. As the citizens of Burlington have made abundantly clear whenever there has been a tragic loss of life in alcohol-related incidents—as I said, 11 of the 17 fatal accidents in the region during 1985 were directly attributed to alcohol consumption—no member with a conscience should consider this a worthwhile and socially enhancing piece of legislation.

Mr. Swart: On a point of order, Mr. Speaker: Concerning the rotation, it is inconceivable that not a single Liberal member was recognized this afternoon in support of the minister. Surely you have missed somebody there.

Mr. Speaker: Order.

Hon. Mr. Nixon: We are all in support of the minister, and we are quite anxious to hear what he has to say on the bill, with the idea that we might decide it by our vote before six o'clock. But, of course, that is in the hands of the honourable members.

Mr. Speaker: With those points of information, is there any other member wishing to participate in this debate? If not, the minister may wish to make some closing comments.

Hon. Mr. Kwinter: I have to express a little bit of disappointment. I have been working diligently for the total period of this debate to try to refute the statements that were made. Unfortunately, in the interests of time, I will not be able to do that. It is rather interesting—the members on this side are totally supportive, I can assure opposition members—that the members of both opposition parties who were speaking resented

the fact that we were wasting the time of the House with this debate when in fact they were the only ones who were debating.

I would like to make a brief statement. I had hoped to make a rather lengthy statement so I could refute many of the arguments. We have a golden opportunity for Ontario to break with its paternalistic past and enter into a new age of reasonable and responsible liquor laws. If one were to accept *carte blanche* the fearful pronouncements uttered by the bill's political opponents over the past couple of weeks, one could only conclude that much of the rest of this continent is doomed to suffer social breakdown because it does not have the benefit of living under Ontario's enlightened liquor laws.

Ontarians who choose to drink beer and wine are already drinking them, and they are drinking them at whatever rate they choose. The hypocrisy on the other side is that both parties have come out in favour of off-premises sales when one has finished drinking in the bar at night, with the owner saying: "Get out. You have had too much. You can take another bottle of wine or beer and move out." They feel that is fine and that there is nothing wrong with it.

By placing beer and wine in independent grocery stores, we may increase competition and improve convenience for the consumer. We may even put a chink in Ontario's monopolistic liquor distribution system. However, we are certainly not inventing a way to sell more alcoholic products, and we are not providing an easier means for youngsters to get drunk on a Saturday night.

The members should think about it. If we were selling more beer, the brewing companies would be on our side. The reason they are opposed to this is that they do not see us selling one more bottle of beer. They do see us in some way affecting Brewers' Retail, but they do not see beer sales going up.

We have moved cautiously and responsibly in bringing forward the proposed legislation. We have examined the other ways in which jurisdictions have dealt with beer and wine, and we have consulted with consumers, the Alcoholism and Drug Addiction Research Foundation, the hospitality industry, producers and many other interested organizations and individuals. After all this consultation and study, we have concluded that Ontario can successfully broaden the scope of its liquor distribution without detrimental social consequences.

As I said on introducing this bill for first reading, we know it can work because we have

seen it work elsewhere. I add that many in the opposition privately agree with us. Their statements in the past make a compelling argument for the passage of this bill. I have talked to many people about this issue over the past year. I find it interesting that many of them, when speaking off the record, say the same thing, that the sale of beer and wine in Ontario retail food stores is an inevitable development, if not now, then five, 10 or 15 years down the road.

I should tell the House another thing that not one member of the opposition has brought to this debate: We have it now. There are 720 agency stores north of Highway 17 selling beer, wine and spirits. There has not been one problem with it. When I toured the north country, everybody said: "You guys in the south are nuts. We have had it here for years and there is no problem. Why is it a problem there?"

All of us in this House understand the natural tendency of individuals, groups and entire societies to resist change, but I am saying this is an idea whose time has come. It is time to embrace change that is responsible and well planned, change whose time has finally come.

18:10

The House divided on Hon. Mr. Kwinter's motion, which was negatived on the following vote:

Ayes

Callahan, Conway, Cooke, D. R., Cordiano, Curling, Elston, Epp, Ferraro, Fulton, Hart, Henderson, Kerrio, Keyes, Kwinter, Mancini, Morin, Munro, Newman, Nixon, Offer, Polsinelli, Reycraft, Riddell, Sargent, Smith, E. J., Sorbara, Van Horne, Wrye.

Nays

Allen, Andrewes, Baetz, Barlow, Bennett, Brandt, Breough, Bryden, Charlton, Cooke, D.

S., Cureatz, Davis, Dean, Eves, Fish, Gigantes, Gillies, Gordon, Grande, Gregory, Grier, Grossman, Guindon, Harris, Hayes, Jackson, Johnson, J. M., Johnston, R. F., Lane, Laughren;

Mackenzie, Marland, McClellan, McFadden, McLean, McNeil, Mitchell, Morin-Strom, O'Connor, Philip, Pollock, Pope, Pouliot, Rae, Reville, Rowe, Stephenson, B. M., Sterling, Stevenson, K. R., Swart, Timbrell, Wildman, Yakabuski.

Ayes 28; nays 53.

Hon. Mr. Nixon: In the interests of democracy and neatness, the honourable minister has requested, with the consent of the House, that we continue with Bill 135, the companion piece, which has no principle in it other than that which would permit beer and wine in the grocery store. With the permission of the House, we would like to deal with it now.

Agreed to.

LIQUOR CONTROL AMENDMENT ACT

Hon. Mr. Kwinter moved second reading of Bill 135, An Act to amend the Liquor Control Act.

The House divided on Hon. Mr. Kwinter's motion, which was negatived on the same vote.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in his chambers.

Clerk of the House: The following is the title of the bill to which His Honour has assented:

Bill 129, An Act to amalgamate Toronto General Hospital and Toronto Western Hospital.

The House adjourned 6:18 p.m.

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Thursday, October 30, 1986

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Clerk of the House: C. L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, October 30, 1986

The House met at 10:02 a.m.

Prayers.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS CONSTRUCTION DELAYS

Mr. Offer moved resolution 50:

That in the opinion of this House, recognizing that purchasers of new homes are severely inconvenienced by multiple extensions of completion dates, the Ontario new home warranty program immediately investigate what further protection could be given to these purchasers.

Mr. Offer: As I have indicated with respect to the moving of resolution 50, it is necessary to recognize that new home purchasers are being "severely inconvenienced by multiple extensions of completion dates." In this province, we have the Ontario new home warranty program, which provides protection in certain instances to purchasers. It is incumbent upon this Legislature, and I ask it to support this resolution, to send a clear, strong message to the building sector about our deep concern with respect to this problem.

This is a matter of growing concern to a growing number of people in this province. It is causing great inconvenience, turmoil and upheaval to many families and their home lives. In my riding of Mississauga North, where there are approximately 160,000 people, there is a vibrant new home industry. Many people are purchasing homes, and I have styled this resolution because of problems that have been experienced by my constituents with respect to multiple extensions. They have asked and expect me as their representative to bring this matter to the Legislature, and indeed that is what is being done today.

I would like to indicate at this time that this matter has been raised in the ministry and that the government certainly is involved in the matter. They are keeping abreast of what is happening with respect to the new home industry and the inconvenience to many people throughout the province, not only in Mississauga North.

At this time in many parts of the province a great number of people are finding themselves in the fortunate position of being able to purchase new homes. For those fortunate enough to so

purchase, there is the Ontario new home warranty program, established by a piece of legislation designed to protect the purchaser from defective workmanship. The program in Ontario, as far as my investigation has been able to uncover, is probably the second largest program in the world. We have the only legislated program in Canada and one of only three or four in the world.

There has been conciliation in more than 25,000 disputes. Most likely there has been a saving to home owners in this province of hundreds of thousands of dollars with respect to legal costs and, in many cases, legal recourse. We have paid out more than \$21 million in claims to several thousand home owners, and more than 75,000 disputes have been resolved by correspondence.

It is necessary at this time to understand the claim that what we are dealing with is very much a private sector, free market problem. We are discussing matters of importance to the new home market and its reliance on the building sector. It is important to realize that we must impress upon the builders of homes in this province that people are relying more and more upon their expertise in the building of new homes.

The warranty program is, as I mentioned, set up by a piece of legislation designed to protect the purchaser. In the main, it is a good piece of legislation. It provides among other things that a person's deposit or money paid for any extras up to \$20,000 is protected through this legislation. This means that after a person has paid a deposit up to \$20,000, if the builder runs into financial difficulty or the home is not completed because of some problems the builder has experienced, the program will refund the money to the purchaser.

In addition, if a builder has not completed work on a new house in a good and workmanlike manner, for which the builder is responsible, the program provides a procedure in which the purchaser can have the work completed through the program at no cost. With respect to this, it is important to note that this protection to the purchaser will be secured only if the purchaser notifies the program within one year from the

date of formal completion of the purchase transaction.

Also, the new home warranty program provides the purchaser with protection against an unwilling builder if there exists what is called a major structural defect. This protection is available to the purchaser for a period of five years from the date of formal completion of the purchase transaction.

This is a major piece of protection afforded the purchasers of new homes. It is a unique piece of legislation in this province, and it deals and attempts to deal with consumer protection. Yet, for the very reason that we have this legislation, problems arise.

10:10

First, the purchaser is generally unaware that his deposit and money paid for extras is protected by the Ontario new home warranty program to a maximum of only \$20,000.

Second, the purchaser is unaware that the program will apply in most circumstances only to uncompleted work if notification procedures have been carried out within one year of the date of completion.

Third, the protection is applicable only to work done by the builder that is not completed in a good and workmanlike fashion. Protection under the act is not afforded to the purchaser where the builder has failed in whole to provide something he has contractually agreed to provide, and a major structural defect is the only item protected for five years under the Ontario new home warranty program. In large part, the Ontario new home warranty program is protection afforded to the purchaser for one year from the date of formal completion.

I believe it is incumbent upon this Legislature to send a clear message to the building industry that to preserve the health and confidence of that sector, this information should be made known to prospective customers before they enter into binding contracts. It is necessary for the building sector to provide this information on the provisions of the new home warranty program to prospective purchasers so these purchasers can fully and properly avail themselves of the protection offered by the program.

I have had much discussion, not only with my constituents but also with others who have been affected in this province, and the single largest concern that has been given to me is that they did not know. It was not necessarily a criticism of the plan or of the act; they were unaware of the provisions.

By passing this resolution today, members of the Legislature can send a clear message to the building sector that we expect that information to be made known to the their purchasers. I believe the building industry must meet not only the challenge of building a home but also the challenge of informing the purchaser of his or her rights and privileges under the program.

I have been in contact with the Ontario and Toronto home builders' associations, and there is indeed a code of ethics, with which I have been provided. One part of that code deals with dealing honestly and fairly with customers. I believe that providing this information to prospective customers before entering into binding agreements of purchase and sale will go a long way to providing and meeting that point of the code of ethics.

I have been provided by the associations with customer awareness brochures with respect to renovations, mortgage financing, purchasing guides, building site inspections, community involvement and purchase contracts—what a person should do from the time he enters into a purchase agreement to the day on which he completes that agreement. It is clear that the building association is prepared to give this information to prospective purchasers.

It is clear also that we have to send a message to the building industry that all parties in the Legislature believe it must get on with the task at hand. Although we have in general an effective new home warranty program, and I believe an industry able to convey that program, it rests with us in the Legislature, as I have indicated, to send the strong clear message that we expect them to provide the purchasing public with this information. By doing so, they will be fully and properly meeting the part of their code of ethics that indicates honest and fair dealing with respect to their customers.

There is more that we have to do. Concerns have been raised with respect to what other items or conditions we can ask the building industry to have to make certain that extensions of closing dates do not take place. In this respect, we have to realize that at this time the new home building industry in Ontario is buoyant and vibrant, there is great demand for new homes in this province and working capacity is being stretched to the limit. In many cases, there are good and valid reasons for the delays in closing.

The question we have to ask is, in the event that there are good and valid reasons for delay, be it weather, working capacity or extreme demand, what obligation is there on the building industry

to inform the purchasers at the earliest possible time of the necessity for an extension? How should they inform the purchaser? When should they inform the purchaser? Should it not be incumbent on the building industry to make certain that initial closing dates are realistic to the market and the demand available?

I have heard talk about interest paid on deposits. Should not interest be paid on the deposits of people purchasing new homes? That is clearly a matter of contract and negotiation. Perhaps most important, we have to ask ourselves whether, if interest is paid on deposits, that would in any way alleviate the multiple extensions of closings. We have to take a long, hard look at that concern.

Although I believe there is room for interest to be paid on deposits, I also believe we would be fooling ourselves to think that in itself would alleviate these multiple extensions of closings. We have to realize that the building industry is as anxious to complete the transactions as are the purchasers and that the interest paid on a deposit might not do much in making that happen.

What about consumer protection and information? What about provisions in the agreement that deal with multiple extensions of closing? What about provisions that deal with the right of a purchaser to rescind his agreement? What about information as to what the Ontario new home warranty program does and does not provide?

The building industry should immediately look at providing standardized clauses with respect to consumer information to be inserted in a clear and undeniable manner in their agreements so greater information can be given to the purchasers of this province as to their rights and privileges.

I see that I have three minutes or so of my initial 20 minutes.

There is much that can be done by the building industry. From my discussions with purchasers who have suffered severe inconvenience, their number one concern is that they were not informed; they did not know what was going on and they did not know what their rights and privileges were. The building industry should make certain that the provisions and protections under the Ontario new home warranty program are brought clearly and unmistakably to the attention of the purchaser. It should immediately investigate the advisability and feasibility of providing standardized clauses in agreements in a clear and simple language that is understood by all. That would go a long way to providing protection with respect to information that the

purchasers of new homes in this province so sorely need and so greatly desire.

10:20

Mr. Speaker: The member has two minutes and 12 seconds for his wrapup.

Mr. O'Connor: The government's handling of this issue is a classic case of too little, too late. This has been a serious, ongoing problem for thousands of Ontario home owners and prospective home owners for the better part of this year and the government has been well aware of it. I have a batch of newspaper articles from which I could quote at length that fairly and accurately document the problem that has existed throughout this year. There were headlines as far back as February and March 1986 in the *Toronto Star*. I will quote one, "Builders Aborting Home Deals Could Create Real Uproar."

The minister and this government have been aware of this problem throughout this year. After meeting with groups of people in my riding who were affected by this situation, after discussing the problem with town officials in Oakville and after developing a five-point program for the alleviation of some of these difficulties, I wrote a lengthy and thoughtful letter as early as March 12 to the Minister of Consumer and Commercial Relations (Mr. Kwinter) to try to assist in this situation. After repeated requests for a reply and after incessant nagging of his office to get something out of him, on May 16, in excess of two months later, he deigned to send me a two-paragraph letter thanking me for my thoughtful letter of March 12. Big deal; how did that help the situation?

After further pushing and badgering his office for some substantive reply, I finally got a second letter, dated July 31. I must admit the minister was improving. This time the letter had three paragraphs. However, the letter was similar in nature and wording to the first letter. He did indicate that he recognized it was a problem and that he was prepared to refer it to his staff and to the Ontario new home warranty program to monitor the housing market to determine what might be done. Again, big deal.

The problem has been well known by this government through the newspapers and through representations from myself and other honourable members representing ridings in the Golden Horseshoe area, where the problem is most severe.

Throughout the piece, many have urged upon the minister the requirement for some legislation to better protect prospective new home buyers. The minister's consistent response—I will give

him credit for being consistent—has been that he will not legislate, that there is no way he will interfere in the free market in this circumstance. Again, the papers document this as do his letters to me and as does his response as late as yesterday to questions put to him in the House by members of our party. He whined to us about the difficulty of legislating in areas where circumstances—I admit there are some—make delays inevitable and unavoidable in relation to weather and lack of supplies. It is difficult to legislate in that area, but there is much that he could do.

I commend the honourable member who proposed this motion for reviewing some of the areas in which legislation might be appropriate. However, after a year of full knowledge of the problems and with very substantive proposals put to the minister as solutions, what has been the government's response? It is a private member's motion which, in reading the motion and setting aside the verbiage, recommends that the Ontario new home warranty program immediately investigate—that is a curious word “investigate.” Here we are, nearly in November, and the minister decides, through his parliamentary assistant, this group should investigate. We have been investigating all year. We are well past the point of investigating. We know all about the problems. What we want are some solutions to the problems.

Mr. Jackson: That is asking too much.

Mr. O'Connor: It seems it is asking too much of this government. As I say, we have investigated and we have met with the people involved. I have met with town officials and others. We have put together a program which, again for the record, I would like to put to this House so it will not be lost on this government. As I said, it is a five-point program, and it is the policy of this party. It would go a long way to solving a lot of the problems that are getting worse as time goes on.

1. This government should introduce legislation requiring builders to pay interest on deposits at a reasonable rate for the period of time commencing with the completion date set out in the agreement of purchase and sale until the date of closing.

At present, I have people in my riding who have waited in excess of a year. I know of one person who has waited in excess of two years—the delay has gone on for two years—for the commencement of his home. He has put down a deposit of \$25,000. Under current law, he is not entitled to any interest on that deposit

whatsoever. Of course, the builder holding the deposit can invest it and make interest for himself.

There is thus a great incentive for builders to want to delay the commencement and the completion of these new houses, not only for purposes of gaining a little interest on these fairly substantial deposits but also because of the rising house market, in which prices increased this year in the Metro area by 30, 35 or 40 per cent. There is great incentive to want the purchasers to get out of their deal so they can resell that lot and that house to someone else for perhaps 40 per cent more than they did to the waiting purchaser. It makes eminent sense that the incentive to want to delay should be taken away from the builder by requiring him to pay interest when a delay is created.

2. The government should also introduce legislation prohibiting the sale of any lot prior to registration of the subdivision.

As my friend has pointed out and as the minister has pointed out, some of these delays relate to registration delays, red-tape tie-ups at the municipal level. If that problem were eliminated, a good deal of the delays could be eliminated. Why do we not legislate that simple point?

3. The government should promote the establishment of municipal information centres to inform prospective buyers of the stage of development and any problems that might occur in registration if the legislation outlined in item 2 is not implemented.

Again, my friend referred to better information and co-operation with the builders in that respect. I commend him in that regard, but surely that promotion should come from this level, with a requirement that these information centres be set up so home buyers are adequately advised as to the potential for delays and problems in the purchasing of their new homes.

4. The Minister of Consumer and Commercial Relations should develop standard new home purchase agreements that are directed more towards consumer protection.

At present, these agreements are drafted by the lawyers for the developers; they are horrendously one-sided. If there were some ministerial input that required a better balance between the home purchaser and the builder, providing him with some of the protections I have mentioned in items 1, 2 and 3 right within his agreement, that would be of assistance. That does not require legislation; it can be done at the ministerial level without legislation.

5. The minister should sponsor advertising campaigns to warn prospective buyers of the pitfalls of buying a new home, including the possibility of legitimate delays involving labour, weather and related purposes.

Again there is no requirement for legislation there. The excuse the minister has used consistently for doing nothing, nothing at all, in this area is that he cannot legislate because it would disrupt the situation more than help it. At least three, and perhaps more, of the points we have suggested by way of a program do not require legislation. The ministry should at least move in that area. It has been blatant in its lack of response and lack of protection for the people of Ontario in this regard.

10:30

Yesterday the minister took issue with a point I made, that there are thousands of people involved. From checking around with some of the members who represent ridings in areas that are affected, I suggest the figures are well into the thousands. It is not an insignificant number of people. If we go around the Golden Horseshoe and Toronto, they are, and we are, well into the thousands. I see the parliamentary assistant nodding in agreement perhaps at that point.

The government has fallen down badly on this issue. It has not done the job it was elected to do. I suggest that if it could swallow its political pride and adopt some of the points of this program, much of what is now a problem could be met in the near future.

Mr. Swart: In rising to speak on this resolution, I must say I have not decided yet whether I will support it. It purports to do something for the hundreds and thousands of home owners who have had problems with closure, but it is such a weak resolution that it has little meaning or substance. It largely appears to be an apologist motion for the government in power in this province.

The first thing we have to recognize is that the present home warranty program, and particularly the composition of the board, is inadequate to provide neutrality, because it is a board composed of builders. At least to some extent, they are going to protect their own. By having them do the investigation, we will not get a totally neutral report.

I want to recognize that the home warranty program has provided some very substantial benefits to home owners, but not nearly as much as it should have were it an independent program. I am not terribly happy with the proposed Ontario Motor Vehicle Arbitration Plan to give protec-

tion to buyers of new automobiles, but it is much more independent than the board of the home warranty program, which is totally an industry board. It is rather ludicrous to have it investigate. There should be a committee composed of consumers, and some of the people from those homes where they have had the major problems should be on that committee, not just the builders in this province.

I was a bit amused to hear the member say that this was a free market problem and that the government perhaps had to intervene in this issue. His minister has stated over and over again that he wants to leave everything with the marketplace. He certainly has with regard to insurance, and we know what has happened to the people. Now we have his parliamentary assistant saying they had better intervene. They had better intervene, but it had better be meaningful intervention and not what is contemplated in this resolution.

The member suggested this House should send a message. If this is the only message we are going to send from this House, it is going to be so weak it will not change a single thing.

I too wrote to the minister. The member for Oakville (Mr. O'Connor) stated that he wrote a letter setting out his party's policy. I wrote a letter setting out my party's policy, and I suggest it will do a bit more for home owners who are caught in this terrible situation of closing dates not being met and sometimes going on for six months or a year afterwards. I sent that letter to the minister on July 30. I want to put some of it on record.

I stated to the Minister of Consumer and Commercial Relations:

"The problems of house builders pushing back completion dates has reached a magnitude requiring decisive action by you, including the introduction of legislation. Some developer-builders are using unrealistic closing dates as a gimmick to promote sales. Further, they are consciously delaying completion in order to get a higher price from the agreed purchaser or from a new buyer if the original backs out because of the delay."

I pointed out that the harm from this practice, and often it is severe, is always to the buyer.

"Frequently, they have sold their home or given notice to the landlord and have no place to live. They may end up paying more than the contract price or cancelling the contract, yet the price of purchasing another home will have risen since the first contract was signed. Always, the

buyer is the loser while the developer-builder benefits."

Deer Run Estates in Bolton is another recent horrible example of this widespread problem, and I am aware of it in Mississauga and elsewhere in this province. I talked about the responsibility of the Minister of Consumer and Commercial Relations to deal with these very real problems. As the member for Oakville has already stated, he said he is going to leave it to the free market; he is not going to introduce any legislation or even any regulation.

This is what our party proposed in my letter to the minister:

"A law to provide fairness to new home buyers is absolutely necessary and need not be complex or difficult in administration. First, it would be mandatory that standard agreements of sale-purchase be used." Even the minister has admitted that would be desirable. I suggest it should be mandatory.

"Second, the completion date on the agreement would be binding. Where it is not met by the builder-developer, substantial penalties would be paid by the developer-builder to the purchaser.

"Third, where there is a long postponement of completion, the buyer would have the option of cancelling the purchase contract, with the down payment refunded and interest and penalty levied against the builder.

"Fourth"—this is important—"an independent panel, including consumer representatives, would be established with authority to waive part or all of the late completion penalty if it was established that the delay was beyond the builder's control," whether it be from strikes, unavailability of materials or whatever the case might be.

I said to the minister:

"I urge you to prepare legislation based on the foregoing principles and announce immediately that it will be introduced when the Legislature reconvenes in the fall. If not, I will be tabling my own private member's bill for debate and vote." I intend to do that.

Instead of having something from the minister, what we have today is this weak-kneed resolution from the parliamentary assistant that will do nothing to resolve the existing problems or prevent them from arising in future.

I want to make one other point, because it is important; it is relative to the Rembrandt Home Owners' Association. If there is any group of people in this province who have this long, ongoing problem, it is the Rembrandt Home

Owners' Association. They took it up with the Conservative government. The minister at that time, who now is looking after horse racing, promised the government would compensate them and take some action on it. The Liberals brought this up time after time. It was not just some of the critics; even the man who now is Premier (Mr. Peterson) brought this up as Leader of the Opposition and demanded that the government compensate them. Eventually, the Rembrandt Home Owners' Association took it to the Ombudsman, and the Ombudsman made a recommendation that they be compensated.

Orland French had an article about this in the *Globe and Mail* a few days ago. He said: "Even the intervention of the Ombudsman's office has not helped. The Ombudsman looked into their case and decided they warranted assistance from the government." The Ombudsman decided there had been enough negligence on the part of the government—this was before the home warranty plan—that they should be compensated. "The Legislature's standing committee of the Ombudsman also recommended to the Ministry of Consumer and Commercial Relations 'pay or cause payment to be made' for the repair of damage."

10:40

What has the minister done about it? He has refused to accept the recommendation of the Ombudsman. A letter sent to the Rembrandt Home Owners' Association by the minister, after giving all the reasons the ministry should not do it, states: "In this particular case, this ministry did attempt to mediate the dispute between the Rembrandt Home Owners' Association and the builder. Unfortunately, these efforts did not lead to a satisfactory solution. It is now the view of my ministry and the government that it would be inappropriate to comply with your recommendation and that of the standing committee on the Ombudsman."

If the member who introduced this resolution wants the government to show its good faith in dealing with these kinds of problems, he will go to the cabinet and say, "You have an obligation to look after and compensate these Rembrandt home owners." That is the way he can begin to show he means this. The next very important step is that the government bring forward legislation to protect these people. A weak-kneed resolution is not sufficient for the problem we have in this province.

Mr. Callahan: I am pleased to rise to speak on this motion. I would like to approach it from a slightly different angle. One of the difficulties

that exists today is that most purchasers commit, not a cardinal sin but certainly a very large mistake, by not taking offers to purchase to their lawyers before they are signed. The difficulty which arises is that no contract is a standard contract. In fact, contracts become more and more complex every day. They acquire more and more pages attached to them. They contain more and more rather unusual terms, though nothing dishonest. For that reason, it is very important that a person planning on purchasing a home take that contract to his lawyer. That is the largest responsibility of the lawyer, which is reflected in his fees, as I think my colleagues in this House who are of the legal profession will agree. If the purchaser fails to do that, he is then bound by the terms of the agreement.

When one couples this with the fact that homes today are being built and sold in great numbers—in fact, so much so that homes are being sold even before they are built—it in some respects causes problems for the prospective purchasers. What happens is that if the developer has sold the home already, he can move his tradesmen on to the next lot, work a little bit on that one and then move on to another. Of course, that results in delays to the purchasers, who, understandably, are expecting to complete a transaction on a particular date. They may have taken steps such as those suggested by the member for Welland-Thorold (Mr. Swart) and expect they are going to be able to move in.

The reality of life is that the increase in the value of real estate has been so dramatic for the past 10 years, and still continues, that very often when the person signs the contract, by the time closing comes around he has already acquired a rather significant capital gain, so he does not complain much. He is happy to extend it, because to extend it is to have an asset which is growing in value.

The danger exists—and I do not for one minute suggest that the bulk of builders out there would ever do this—that a builder may use noncompletion and extensions of deadlines to the detriment of an unsuspecting purchaser in that the purchaser may decide he cannot continue to wait for this house to be built and may very well decide to get out of the contract. Of course, the capital benefits will accrue to the builder. In addition, in the wording of most contracts, the purchaser will lose the interest on any deposit that has he has paid on which interest may have been accruing if he had some foresight.

To go to the home warranty program, perhaps the terminology might be changed a bit. The

word “warranty” seems to produce a feeling that builders responsibilities are greater than they are. The home warranty program is excellent in that it provides certain protections for home owners, but within the framework the word “warranty” could sometimes be misleading to a purchaser.

I can honestly say the program has taken positive steps to try to bring to the attention of the public, including real estate agents, prospective purchasers and so on, its functions and limits. If a purchaser takes his contract to a lawyer before it is signed, he will recognize he is paying, under most contracts usually, the fee for the home warranty. This can be in the neighbourhood of \$200 or \$225, I believe. One would think he would want to have an assurance on what that warranty covers. As my colleague indicated, there is a limitation on the listing of defects in workmanship that expires after a year, and one loses any benefits one had.

I have run into experiences where purchasers have not even realized they have to go out seven or eight days before the closing to list all the defects on this warranty so that those are covered, because that is all that is covered. This is not a problem that is going to be solved in any single fashion by tinkering with a piece of legislation. It is going to be helped only by a number of things. It is going to be helped by making the public aware of the provisions of the home warranty program in a current and up-to-date fashion, and that is being done. I understand that within the past few weeks this program has produced videotapes for distribution to various public areas so that people can educate themselves about the program.

In addition to that there will be a responsibility, and perhaps we are sending a message as well to the real estate agents. They are a very responsible group in this province and will accept that message from this Legislature in passing the bill, but perhaps they should be a little more comprehensive in explaining what the program is and how it protects the buyer. If they fail to do that, the real question in a nutshell boils down to knowledge and the ability to benefit from that knowledge. If one does not have that knowledge, one can put the best programs in place and people will never reap the benefits of them.

In the main, it falls to the responsible parties involved in these transactions with purchasers that there be this indication of what the program provides. Perhaps it should also be highlighted in a preprinted form that would be attached to every offer to purchase and would tell them exactly what the home warranty program provides. In

that way, if they do not choose to go to a lawyer beforehand to have it explained, people will at least know what they are dealing with, and that is of some significant advantage.

It is very important that this program continue to exist, because it does provide protection for home owners, but only if they understand the limitations and the scope of the program. Having paid for the protection, one would think they would want to know what it is.

I will support the motion of the member for Mississauga North (Mr. Offer), because it may jog the memories of those people who are responsible for providing this information to the purchasers and make them aware that, in doing this, they enhance their own profession. If we find situations coming up—and they may come up because of the turnover of real estate—where people have paid a fee and are losing their rights under the home warranty program because of delays, it is going to put the whole program in jeopardy.

In the long range, the people who will suffer from that will be the public; in addition, the building profession will lose the good name it has in the main. In the larger building units, as in every bushel of apples, there are a couple of bad ones. Basically, they are responsible people and they should be doing everything possible within the framework of their profession to make certain that people are well informed so there will not be any people hurt and it will not spill over on to their untarnished reputations.

I am going to support the motion made by my colleague.

10:50

Mr. Cousens: I rise to speak about the problems of the new home buyer in our province. We are encountering one of the largest rates of growth of any community in the country, probably even in North America. In my riding in the southern York region, 6,000 homes are under construction in Markham, about 4,000 to 5,000 in Vaughan and another 3,000 to 4,000 in Richmond Hill. Eighty per cent of the homes are being built by reputable, good contractors and builders and are houses that are being sold without any problems, but 20 per cent or under are having problems the like of which people do not deserve to go through.

What are we doing about it in this government? Nothing. The Ministry of Skills Development is not putting the money in there to help find or train tradesmen to do the job. Therefore, it is no wonder builders are having trouble.

We see the Ministry of Transportation and Communications doing next to nothing to increase public transit by train in our area. We are seeing nothing done about roads that go in. We are seeing nothing done by the Ministry of Education for schools. There will be 7,000 or 8,000 young people without schools next September. We are seeing a myriad of problems in our growing communities and these problems are being generated by the lack of support and concern from the government.

There is no financial protection for the new home buyer when he goes to get his mortgage. The mortgage and finance companies will hold the price of a mortgage for nine months, but if a delay goes beyond that length of time, buyers may well have to renegotiate their mortgage. Interest rates being stable for now, it has not been a problem. It could be a problem if interest rates started to rise next year as people realize the bad job the government is doing.

We do not see any consumer protection. For a person who buys a house, there is often nothing but an artist's rendering. There should be a rule that says: "No artist's rendering. What you get is exactly what is in this picture." One will see landscape, trees and all kinds of other things that might not be possible because the houses are jammed together and the sidewalk is right up to the door.

I am concerned that home buyers in Ontario are not getting the protection that consumers get when they buy a condominium. Condominium buyers have a 10-day cooling-off period; the ink is wet, but they have 10 days in which they can rub it out. We do not have any protection. The ink is still wet, and that contract made between the new home buyer and the builder is in effect. Why do we not change it so that there is some protection for the new home buyer?

When one is buying a cottage, there are three things one looks at. The three rules are location, location and location. If one is buying a new home, the first rule should be the builder; the second one the builder; and the third one the builder.

What is a builder doing for one? How reputable is he? How good is he going to be? What can one do to depend upon him to fulfil his responsibilities? We have to do a lot of things. Fortunately, the Toronto Home Builders' Association is trying to do a job. It is trying to discipline its members from within, and I am grateful it is doing that, but a small number of bad apples are doing an awful lot to hurt the rest of the

industry, especially the consumer who is about to make his biggest investment.

We need new regulations on the building industry, a self-regulating body to be implemented to monitor the performance of builders, similar to the Registered Insurance Brokers of Ontario. Lawyers are registered, accountants are licensed, real estate agents are licensed and surveyors are licensed; they are all licensed. This prevents unscrupulous people from acting in their businesses.

Why do we not license builders personally rather than by a name, a numbered company that can change when it decides to go out of business and do something different? It could prevent unscrupulous, dishonest, disreputable builders from re-registering and restarting up. The industry should begin to regulate itself more.

I agree that we have to expand the mandate for the new home warranty program. We should look right from the very beginning stage when a person signs a contract for a new home. That is when HUDAC should begin to have more of an interest in it; the time should begin then so that the new home buyer has some protection.

Maybe we should begin to look at least at giving people interest on their deposit money in cases where there is a delay in building a house. Maybe we should begin to look at expanding the protection limits of HUDAC from the \$20,000 set in 1974 to something more realistic today. Maybe HUDAC should begin to start looking after the leaky basement. A leaky basement is the big problem people have when they have a house, believe it or not, and it is not covered under the new home warranty program.

Let us not deal with HUDAC in one area. Let us look at the whole subject and expand it. Let us have more information on builders. At present, if people want to check out their builder, how do they do it? Where do they get the information? How do they find out how many conciliations that person has had? I believe there should be a central registry that would give new home buyers objective evaluations of builders, possibly giving them a rating. The existing available information to a new home buyer is very limited, and that could be improved.

Why does the government not come up with an ombudsman for building, for new building, for new home buyers, so they could go to someone who would help to arbitrate disputes between the builder and the buyer? Such an office could be part of the new home warranty program. It would have the power to make decisions up to a certain

level of cost. Car manufacturers are doing that now, and it is working out extremely well.

Why do we not do something about the inspectors who are making the inspections for the warranty program? What training and expertise do they have? Should there not be a stated, specific level of training to help standardize and give the public a degree of protection? Some inspectors have extensive building experience and others have minimal. There is little or no value to some inspections when there is no consistency and there are no base standards.

How about the final inspection? This is something we could all begin to do to help new home buyers when they are about to take over their home. The final inspection is often rushed. The builder has a schedule and he has three or four to inspect that morning, the new home buyer's family is in the car waiting to take over the house and the truck is coming up the street to deliver the furniture. More time should be given to that final inspection and more guidance given to the new home buyers so they know what to check off. Maybe at that point the builder could give a final certificate saying the house is complete, and then there is a point at which the new home warranty program can say, "All right, that is the time the house was completed and handed over to the buyer."

I believe there has to be far better disclosure in the contract between the new home buyer and the person he is buying the house from so there are no hidden charges and that there should be a way of describing what all the costs are rather than à la carte. Sometimes the new home buyer is taken because he does not have all the information he should have. There has to be some way to protect the new home buyer other than by sharing it with a lawyer. Maybe one of the most important things we could do is have more information disseminated to new home buyers across the province so that they become aware of their rights and what is being done and what is not being done.

For instance, why do we not come along and change the agreement by attaching to an offer of purchase a description of the neighbourhood, of what is going to be there, things such as schools, stores, shopping and roads? Could that not be attached to an offer and become something the builders in new subdivisions are compelled to give, so there is some honesty and people are not surprised later? We have to have far more openness and far less secretiveness, so the new home buyer is truly protected.

I have a serious problem in my riding and I am concerned that many people who are unlucky do not have any recourse. They do not have anyone to turn to. I would support anything we can do to give more teeth to the new home warranty program. I would do anything to help the builders themselves to have more policing strength over the bad builders and to support the good ones. I would also support the Ministry of Consumer and Commercial Relations looking at all the acts that affect all the areas in order to help the buyer.

11:00

Mr. Offer: In the short time left to me, I would like to personally thank the members who have taken part in the debate.

I take note of the comments of the member for York Centre (Mr. Cousens). However, there is one thing about which I was somewhat concerned; that is, not one suggestion was directed towards the problem of delayed closings.

I thank the member for Brampton (Mr. Callahan) for his thoughtful comments on the obligation and responsibility of the legal profession.

I thank the member for Welland-Thorold, yet I regret his reservations about allowing this Legislature to send a message to the building industry. I am concerned that there are more words than actions, and I ask for his support in this resolution.

I thank the member for Oakville for his comments. I would like to touch upon two things, the first being the interest paid on deposit. As one who practised in the real estate market for many years, I think we have to properly and honestly ask ourselves whether that will alleviate the problem of delayed closings. I think we know what the answer is; the answer is no. The builders have as firm a desire to complete the transactions as the purchasers.

Second, with respect to the standard agreement, in the new home industry we have, by and large, a standard agreement; many of the clauses are the same. My concern is that I want standardized provisions within the agreement clearly brought to the attention of the consumers of this province so that greater information and protection can be afforded to them. With that, I believe the purchasers of this province, not only of Mississauga North but also of all ridings, will be properly and fully protected.

The Acting Speaker (Mr. Morin): This ends the debate on item 21.

AUTOMOBILE SAFETY

Mr. McCague moved resolution 22:

That this House recognizes the improved safety resulting from eye-level brake indicators on automobiles and strongly encourages the Minister of Transportation and Communications to take appropriate measures to encourage the seeking of mandating of their installation on all new vehicles manufactured for sale in Ontario and to encourage citizens of Ontario to retrofit their vehicles.

The Acting Speaker: The honourable member has 20 minutes for his presentation, and he may reserve any portion of it for the windup.

Mr. McCague: I am pleased to have the opportunity to present this resolution to the Legislature and would like to reserve any time remaining after my remarks to be used at the end.

I realize that part of this resolution has been answered by the federal government at this time. This resolution has been on Orders and Notices for about a year, and as of September 1, 1986, it is necessary for all car manufacturers selling in Ontario to have the lights installed on those vehicles. Therefore, I will spend the bulk of my time today talking about the installation of these lights on cars that do not have them.

The rear-window brake light is simply a third stop light mounted on the centre line of the vehicle between the top of the rear window and a point no less than three inches below the edge of the window.

In 1978, a United States field test evaluation of rear lighting systems was done to establish the effectiveness of different rear lighting and signalling systems. This was the concept that was tested. It was to provide a single, centre, high-mounted stop light at the approximate eye level of the following driver. The stop light was positioned on the vehicle's trunk, just beneath the centre line of the rear window. This stop signal was supplemental to the normal stop light.

Second, it was to provide two high-mounted stop lights, one on each side of the trunk, directly below the rear window, at the approximate eye level of the following driver. These stop lights were supplemental to the normal stop and turn signal lamps of the vehicle, to separate the present lamp from the stop and turn functions of existing signal lamps in the vehicle and provide no redundancy.

Approximately 2,100 taxicabs in Washington, DC, participated in the study. Four groups of equal size were formed to evaluate the rear-end collision experience of vehicles configured in terms of the three design concepts, as contrasted with the experience of a conventionally configured or control group.

During the 12-month study period, the four groups accumulated approximately 60 million vehicle-miles under a broad range of weather and road conditions. Drivers in the several groups had been matched for age, sex and prior accident records. During the 12-month period, the four groups experienced a total of 1,470 accidents, of which 217, or 15 per cent, involved taxicabs being struck in the rear while in operation.

The most significant finding of the study was that the taxicabs equipped with the rear lighting configuration involving the addition of a single, centre, high-mounted stop light had fewer than half the rear-end collisions experienced by the control group.

This reduction was achieved whether measured in terms of absolute number or frequency of accidents or in terms of accident rate per million miles travelled. This finding apparently is statistically reliable with a possibility of less than one in 10,000 that the results would occur by chance alone.

In addition, the effectiveness of the single-light configuration increased during night-time operation and under conditions where there was almost complete certainty that the stop lights were illuminated just prior to or at the time of impact.

Further, the mean cost to repair the cabs with this rear lighting system was lowest by an order of magnitude among the systems tested, indicating that these accidents were less severe than accidents involving other stop light configurations.

While the rear-end accident rate of cabs with a single, centre, high-mounted configuration was impressively lower, the rear-end collision rates of the other two experimental groups were similar to that of the control group.

It was concluded that the supplemental single, centre, high-mounted stop signal has the potential to dramatically reduce the occurrence of rear-end collisions on a national scale. It was recommended that the findings in this study be verified by further testing the single-lamp concept in a different geographical area and with a different type of passenger vehicle.

The conclusions drawn from the results of this study are as follows:

The mounting of a single, high stop light on the rear of a passenger vehicle will reduce the incidence of rear-end collisions by half, as compared with the accident rate for vehicles not having the additional lamp.

This reduction of rear-end collisions is due in some way to the enhanced conspicuousness of

the stop signal since it was found to be more effective both at night, as opposed to during the day, and for situations where it was highly likely that the brakes were applied prior to the impact.

Also, the effectiveness of the high-mounted lamp increased during nighttime operations and under conditions where it was more certain that brakes were being applied just prior to or at the time of impact.

Where the presence of a single high-mounted lamp did not prevent a rear-end collision from occurring, it did reduce the damage suffered by the lead vehicle in such collisions.

The damage estimates for vehicles having single high-mounted lamps were 38 per cent lower than the damage estimates for control vehicles.

It can be concluded that the single high-mounted lamp resulted in faster brake application in the following vehicle, resulting in a slower speed at impact and therefore less damage to the lead vehicle.

11:10

It was recommended that a second field study should be conducted to validate and verify the findings of this investigation. The second study should attempt to replicate the experimental conditions of the present study, comparing the lamp with the control configuration using a fleet other than taxicabs and a city other than Washington, DC.

A second study sponsored by the US Department of Transportation was commissioned, and a final report came out in May 1980. This study confirmed the effectiveness of an auxiliary high-mounted stop light in reducing collisions. The present study used 5,400 telephone company passenger vehicles, half test, half control, which accumulated 55 million miles during a 12-month continuous data collection period.

The results showed a statistically significant 53 per cent reduction in relevant rear-end impact rates in the test group as compared to the control group. These findings were thus consistent with the previous study on taxicabs, which showed a 54 per cent reduction in rear-end collisions.

Both studies suggest not only that the rate of rear-end accidents is decreased but also that the cost is less for accidents that occur involving the test vehicles. Both studies also suggest the effectiveness of auxiliary stop lamps may be even greater at night and in the hours of dawn and dusk.

An important difference between the present and the previous study is in the population of drivers used and the nature of their driving. The

previous study used taxicabs. Cab drivers operate routinely in highly congested areas: airports, bus and train terminals, city streets. Cab drivers are, in our opinion, aggressive drivers who change lanes, turn and stop more abruptly and more often than the average driver does. In part this is due to seeking, picking up and discharging fares and attempting to complete each run quickly. Cabs, moreover, do not generally shuttle between specific locations familiar to them. In responding to a call they often must search for an address, and the associated driving is of an uncertain, stop-and-go nature. Such is the nature of taxicab operations.

The population of drivers in the present study is quite different, however. They are not under the pressure of being paid by the mile or the metre. They do not routinely operate in congested areas, as do taxicabs. Their driving patterns conform much more to those of the general public than does the pattern of the cab drivers. The telephone company drivers use much less hunting behaviour, in that they do not seek passengers from the street, nor do they search for a high number of unfamiliar addresses.

The present population of drivers is, in our judgement, a very safety conscious and conservative group. Accident reporting is compulsory, and safe driving is a fundamental requirement of continued employment. As such, the accident rate for the telephone company vehicles is lower than for the general public. They have relatively few drivers under age 20 or over age 55. They operate for business purposes, and they drive mainly during daytime business hours. Walk-around inspection of each vehicle is mandatory before a driver takes a vehicle out of the garage or off the company lot.

Thus, in many respects the sample of drivers and vehicles in the present study would seem to have provided a stringent test of the possible benefit of the auxiliary stop lamp. In fact, one may wonder how the lamp could show a 50 per cent reduction in relevant rear-enders, as was found. Much of the answer lies in the nature of the accidents involved. Even the most defensive of drivers is vulnerable to impact from the rear, and so to find a reduction in relevant rear-enders similar to that found with taxicabs is not as unusual as might first appear.

It may also be noted that the previous study used full-sized vehicles, all of which were Chrysler products. Theoretically, the effect observed in that study might have been limited to vehicles of that manufacturer, possibly because of the manufacturer's configuration of the tail

lights in the control group. The current results, however, indicate that the effect holds for all the major US vehicle manufacturers and across a wide range of model years from 1970 to 1979.

In sum, the driver population used in the taxicab and telephone company fleets would appear as extremes that bracket the driving public fairly well, with the exception of recreational driving, alcohol involvement and young drivers, say age 16 to 20, or elderly drivers, age 55 and beyond.

The benefit of the auxiliary stop lamp observed in the current study is a conservative estimate of its true potential for reducing rear-end accidents.

In the vehicle signalling and lighting community, there has been much discussion as to why a given configuration of lamps would or would not be an improvement over existing design. By and large, laboratory and simulation investigations have been inconclusive. Controlled driving studies have not been much more encouraging.

One reason for the lack of results is that in a laboratory or controlled driving experiment, one must control the risks to the subject drivers; therefore, the driver is not exposed to the normal day-in and day-out hazards of driving. In addition, most subjects in an experiment consider the activity as a test of their abilities; therefore, they are alerted and are generally on their best behaviour.

The foregoing conditions tend to eliminate the potential alerting function of a novel stop-lamp configuration in a controlled experiment. Thus, the study is reduced to comparing driver reaction times for different displays in reactions made by attentive subjects. Once signal intensity is above threshold, however, it is difficult to demonstrate significant differences in reaction time because of test conditions. Attention-sharing studies in which the driver presumably is distracted by secondary tasks attempt to get around this problem; nevertheless, they also are conducted on alerted subjects.

A large field study offers some release from these constraints and thus may be more likely to reveal effects that are otherwise masked. This appears to be true for the current study and the taxicab study.

One question is why a single, high-mounted auxiliary stop lamp would be effective where dual high-mounted lamps apparently are not of additional value. The previous study evaluated dual high-mounted lights, and there are sparse data on the dual high-mounted lights on the Buick Riviera and the Oldsmobile Toronado. In

the foregoing situations, the dual high-mounted lamps were completely redundant to the standard lamps, both functionally and in terms of essential visual geometry.

The single, centre, high-mounted stop lamp, however, has certain unique properties. First, it is an unambiguous signal that the vehicle's brake pedal is being depressed. The auxiliary lamp never serves as an ongoing or turn signal, whereas at night, the standard lamps require the following driver to detect an increase in the brightness as a signal from depression of the brake pedal and the single lamp merely requires detection.

One might argue that in the daytime, both the single, auxiliary lamp and the other lamps operate in the same way, especially where the turn signals are separate and a different colour. Yet there is still a degree of ambiguity, because during the early morning and at dusk, in rain, haze or fog, some vehicles will be running with their present lamps on while others will not.

I will reserve the remaining time until the end, Mr. Speaker.

Mr. Charlton: I rise this morning to support the resolution of the member for Dufferin-Simcoe (Mr. McCague). Having said that, I think members will have to pardon me if, during the course of my comments, I express some cynicism and sarcasm. The resolution deals with a very important issue. That is why I feel I probably will have to express a little bit of cynicism and sarcasm.

The member explained in his opening remarks that the resolution has been in Orders and Notices for a year. I understand that and it is a fair comment. That does not detract from what I feel about the whole issue of vehicle safety on our highways and thoroughfares.

11:20

The eye-level brake indicator at the back of cars is to me a symbol of almost complete failure on the part of our society—in the case of Ontario, represented by the Ministry of Transportation and Communications—to provide significant leadership in the quest for safety on our roads and highways. I say it is a symbol because there are so many other examples sitting out there, unfulfilled, that could provide increased safety to the motorists and pedestrians of this province.

This resolution has been on the order paper for slightly more than a year. For a short time before the last election, the member who has placed this motion was the Minister of Transportation and Communications and could have made the changes this resolution talks about. Prior to his

stint in that ministry, he was in the cabinet of this province for a number of years and should have been leading the fight for these changes. The eye-level brake-light indicator we are talking about in this resolution is only a small symbol of the things we should be seriously looking at in this province, through the Ministry of Transportation and Communications, to provide leadership for the people of this province in highway and road safety.

We have heard discussions for five or six years about the studies that have been done elsewhere about headlights. We are right in the middle of a week of "leave your headlights on" because studies from around the world clearly show that having headlights on at all times while vehicles are in motion can provide a significant reduction in accidents. Our governments have been talking about it. To some extent, the auto industry has accepted its eventuality but has opposed its immediate implementation for a number of years. We do not see it happening in terms of government regulation at the provincial or federal level. The talk is still there, and eventually it will happen.

I suggest that the actual regulation, whether it is eventually provincial or federal, will not be put in place until all the major auto manufacturers have done it anyway. This is the case with the example we have today. The former minister, the member for Dufferin-Simcoe, is correct that, although his motion was moved or tabled last year before the regulation came into effect, as of September the regulation was in place after all the auto makers had already done the job.

We have seen the airbag debate hanging around for 10 years, and there is still no final resolution to that debate. We have also seen growing concern over impaired driving in Ontario. It has been escalating over the course of the past few years. The former Attorney General, Mr. McMurtry, picked up that battle some years ago and the present Attorney General (Mr. Scott) has gone through this House with some amendments to legislation to proceed to increase the pressure in the battle against drunk driving.

On the other hand, in the real world, we have known about technologies that could provide real assistance on the question of impaired driving. There are very simple devices called breathalysers, which we use after the fact in today's approach to drunk driving, which are installed in the centre of steering wheels and refuse to allow an inebriated driver to start his car.

Why will we not take on the auto makers? Why will we not force the installation of those kinds of

devices that will greatly enhance the safety of motor vehicle operations in our province? We will pass a regulation installing those kinds of breathalyser switches in cars probably eight to 10 months after the major auto makers have already put them in place.

Why are we not providing the leadership in the approach we take to highway safety? Why can our governments, which have access to all the studies constantly being done worldwide, not take the facts that are provided to them in those studies and provide the leadership to ensure that an absolute minimum of people are put at risk as a result of the inappropriate operation of vehicles in this province?

One of the things we knew a long time ago about the operation of motor vehicles is that a vehicle which is unsafe puts not only its driver but also a great many other people at risk. We set up an auto inspection system that most people refer to as the safety check to try to deal with that. It was a good start, but it was inadequate in the ultimate sense of safety on our highways. One has to go in for the safety check only if and when one is selling a car to someone else. Once a person has had his car safety-checked, it is good for as long as he keeps that car. Everybody knows that is not adequate to protect the public. Other jurisdictions have gone to annual safety checks. We have not taken that step in Ontario.

We also know there are technologies whereby, because of the computerization the automobile industry has developed today of its own volition, we could be making small additions to the computers that run the ignitions of our automobiles. The computers that already tell us when there is a problem with our braking system could also tell us we cannot start that car until that problem is rectified.

As I said, this motion before us today is but a symbol of our failures to provide real leadership for the people of this province in terms of protecting them on our highways and streets, both as drivers or passengers in vehicles and as pedestrians.

I will support the resolution because it is a symbol. We need to get on with the job of getting over that hump, overcoming the failures of the past and ensuring that our Ministry of Transportation and Communications becomes the leader in safety in the future.

Mr. Knight: I am pleased to be able to offer some comments on the resolution put forward this morning by the member for Dufferin-Simcoe. I have not indicated that I was pleased to participate in a debate, because I did not consider

there would be a debate as such on this resolution. I will be surprised if any members of the House are opposed. I commend the member for Dufferin-Simcoe for bringing it forward.

As the member for Hamilton Mountain (Mr. Charlton) has indicated, it is possible to discuss many other aspects of vehicle safety and attempts to reduce accidents on the highways. This is only one particular recommendation the member for Dufferin-Simcoe has brought forward, and I think it is worthy of acceptance by all members. It is an indication that the member for Dufferin-Simcoe was dedicated in discharging the responsibilities he held as Minister of Transportation and Communications, a position in which he served long and well, though perhaps not as long as his predecessor and perhaps not as well as his successor. Certainly, he discharged his responsibilities with a high modicum of dedication.

11:30

The resolution is important because it is necessary to publicize that older motor vehicles should be retrofitted with a centre, high-mounted auxiliary brake light. That is important because, as we look at the statistics tabled recently by the Ministry of Transportation and Communications for the road safety report for 1985, we see they show there were 190,000 accidents and 109,000 personal injuries. Even though the incidence of fatal accidents has been decreasing over a number of years, and we are all thankful for that, the number of accidents in total is remaining constant. Of course, the reason for that is the increased number of vehicles on the road. I understand there are now in the order of five million cars in Ontario. Some mornings, as I am coming in to Queen's Park, I wonder if perhaps they are all parked along the Gardiner Expressway. I am sure others think they are parked on some of the other highways on the way into Toronto.

However, the accidents we are particularly interested in are those caused by rear-end collisions. The statistic on this is not accurate because of the source of the information, in that when a traffic officer fills out an accident report on a rear-end collision, he may not always charge the driver responsible. Indeed, the driver of the car behind is not always responsible. Sometimes the charge laid is other than the one statistic I can refer to in the annual report, which is the only statistic that indicates the number of rear-end accidents, where there is a charge of following too close.

In any event, that represents approximately 10,000 accidents in Ontario each year. There-

fore, if there is anything we can do to help reduce the number of accidents, it is something we should encourage. The installation of that centre, high-mounted auxiliary brake-light system would be a way to reduce those accidents.

I would like to correct the member for Dufferin-Simcoe. He had indicated that part of his resolution had been addressed—which is correct, in that the Canadian government has now requested that all vehicles manufactured in Ontario will now have such a system installed—but the fact is that it was gazetted for the manufacturers only as of October 1. They wanted to have it in place for September 1986, but there were some holdups. Therefore, it will be effective January 1, 1987. That would mean the 1988 model year.

I believe the Americans have made it mandatory as of 1986. New vehicles here will have the auxiliary brake-light system installed, beginning next year. We have to make sure the message is taken to the public that older vehicles should have this system installed. I would like to indicate that the government of Ontario has already taken steps to deliver that message. That is not to say there should not be more publicity brought to the issue in the future.

Since the member for Dufferin-Simcoe indicated that his resolution had been in Orders and Notices for a number of months, I would not want to preclude the possibility that his resolution precipitated the action on behalf of the government; but inasmuch as it was not something the member brought forward when he himself was the minister, I suspect this precipitation was not a result of the resolution.

In November 1985, the minister did release to the media a communication, an urging, a recommendation that all owners of automobiles in Ontario outfit their cars. That was made by way of a news release issued on November 6, 1985, wherein the minister indicated—as studies in the United States have demonstrated, as the member for Dufferin-Simcoe has indicated—a high-mount brake light seems to be the most effective way to prevent rear-end collisions and that the minister would encourage all motorcar owners to install the single high-mount brake light on their vehicles.

In the spring of 1986, I believe, the minister encouraged the government ministries to make sure their vehicles were equipped with such a system, and I understand that all vehicles in the government pool now have such systems installed. I also believe Ministry of Transportation and Communications passenger cars and vans

will be equipped with such a system. The cost is somewhere around \$15,000 for between 200 and 300 vehicles. When one considers that it takes the elimination of a couple of accidents to recover that cost, it is an indication that we should be pursuing such an objective throughout the entire province.

In the spring, the minister also sent a communication to all members of the Legislature encouraging the installation of such a system. I presume all members of the Legislature now have such a system installed in their car, including the member for Dufferin-Simcoe.

I suggest that when we do install such a system, we make sure we use only a single, centre-mounted brake light. A number of installations have been undertaken with what I would refer to as gimmicky installations, where one has two lights, one mounted on each side. Some look like strobe lights and seem to work in concert with the car radio. There are others that are appropriate but that appear not to have the same safety value as a single light in the centre.

I suggest that perhaps we could encourage by further publicity the installation of such a system. Perhaps we could encourage the insurance industry to offer a premium break when one is installed. It costs only \$50 to install and perhaps there could be some small break to encourage it. Perhaps local licensing authorities should ensure that taxicabs have such a system installed. Perhaps MTC could look at the regulations in the Highway Traffic Act to see whether we can make it a standard procedure.

11:40

Mr. Gregory: I am very grateful for the opportunity to say a few words on the resolution of the member for Dufferin-Simcoe, for whom I have a great regard for his past performance as Minister of Transportation and Communications. He is well aware of that of which he speaks. He does not often hear very many compliments from me, but this is possibly a new trend.

I totally support the initiative of this resolution. It has seemed to me for a long time, and it must be occurring to everyone else, that the greatest cause of accidents today on highways and on city streets is the rear-ender, as my colleague from across the way has mentioned.

In my opinion, this is because of many things. The chief and most obvious one is that a driver on the highway at night is required to pay constant attention to the car in front of him. He is not required to see a stop light coming on; he is required to see an intensity in the light. All cars

have the regular red running lights on. When the brakes are touched, the only thing that happens is that the red light increases in intensity.

While everyone should drive with his attention focused fully on that, it is impossible when you are driving a long way on the highway, sometimes under adverse conditions. Your mind is not sharp enough to discern immediately that increased intensity of light. You become almost hypnotized by the lights ahead, and the sudden change of intensity does not always catch your attention as soon as it should.

The installation of an eye-level light changes that whole situation. As soon as the brakes are touched, a new light comes on where there was no light before. It seems like a very small point, but it is very important when you are driving at night, lulled into a feeling of comfort, relaxation or whatever, and a new red light suddenly flashes in front of you. That gets your attention very quickly. It is not that the regular lights do not get your attention; it just takes a little longer. Sometimes that lapse in time is not enough to prevent a collision.

There is also the fact that as we get older—and I am not using myself as an example; we are all getting older to one degree or another—your vision deteriorates in so far as night driving is concerned, even with the addition of glasses. It is not a case of not being able to see, but of the quality and sharpness of your night vision deteriorating. Perhaps we need this extra boost of a new light flashing to get our attention. With advancing age, reactions also tend to slow down for some, although not for me as yet.

It is something that is recognized by the police. You do get lulled into a slowdown when driving long distances at night. This can be accentuated not only on highways where there are no lights but also on streets where there are lights; they tend to add to the confusion when driving at night.

The other thing that frightens me when driving on highways is the transport trucks. Transport drivers are competent and probably very capable drivers. At the same time, they have a tendency to tailgate. There is nothing more frightening when one is driving along a road than to glance in the rear-view mirror and see only a transport's headlights which appear to be two inches behind the rear window. This scares anybody. You know that when he is there, you cannot stop because he cannot stop. Unless you want to be a sandwich, you virtually try to get out of the way.

It would be a help, even to the transport driver, when he is driving along, to see a fluttering of the

elevated eye-level light, so he knows he has a nervous driver ahead of him and he had better do something, maybe slow down, and give the fellow a little space. That would be very helpful.

When I am planning a trip out of town and will be driving on the highway, I try to calculate at which time the transports will not be there. Frankly, they scare the devil out of me. I see this as not a very big factor in alleviating my fear, but it may help the transport drivers themselves to get a sense that they are scaring the bejabbers out of that driver in the little Japanese-built car ahead of them, which they can probably run right over if they want to.

It is a positive step that the federal government is taking steps to make this mandatory in all automobiles. I would like to be assured—and I do not have this assurance at present—that this is going to apply not only to American-built and Canadian-built cars but also to cars manufactured in other countries so it is mandatory that these lights be installed before the cars are admitted for sale in Canada. Is that true?

Mr. McCague: Yes.

Mr. Gregory: I have the answer to my question, so I am totally relieved. It will be mandatory that all imported cars have this. That relieves my feelings on it. We can look forward in the near future to all cars having eye-level brake lights.

The only other thing is that any car older than right now or anything older than 1987 does not have these as mandatory equipment. This is a difficult thing indeed. The intent of this resolution, if I read it correctly, is to make these lights mandatory. This means all owners of cars built before 1987, or before it became mandatory on new cars, will be required to install them.

It would bode well for Ontario if the Minister of Transportation and Communications (Mr. Fulton), in concert with the Minister of Revenue (Mr. Nixon) and the Treasurer—they are both the same person—were to make some arrangement to eliminate, possibly on a temporary basis, retail sales tax on this equipment. I do not think we are talking about a great deal of money. I am not sure the elimination of the seven per cent retail sales tax is going to make everybody charge out to buy them; however, any inducement or incentive at all to attain what we are trying to do would be helpful.

They might even go further. I know the Treasurer is a generous man. They might want further to encourage people with some sort of financial incentive. It seems that people do respond to financial incentives. Even with the

knowledge that what they are doing is perhaps going to save their lives, people do not always react quickly and put something on the car that will save their lives. If there is a financial incentive, they move more quickly. This is apparent with car seats for juveniles.

Mr. Knight: What about insurance companies and reduction of premiums?

Mr. Gregory: Insurance companies? Reductions? Very good. I thank the member for the suggestion. I did not have that in my speech, but I undoubtedly would have thought of it as I went along. The member across the way suggests insurance companies might well be encouraged to reduce premiums on automobiles equipped with eye-level brake lights. That is an excellent idea, and I encourage the member across the way to speak to the Minister of Transportation and Communications and the Minister of Revenue to do something. He is an insurance man himself; he can speak to the industry. I am an insurance man, or was at one time, and between us we will undoubtedly get it done with the help of lawyers such as the member for Mississauga North (Mr. Offer).

I have said all I want to say. I fully support this resolution, and I congratulate the member for Dufferin-Simcoe for its introduction.

11:50

Mr. Speaker: The member for Welland-Thorold. I believe there is approximately nine minutes.

Mr. Swart: I assure you, Mr. Speaker, that I probably will not be that long. I want to start by saying that obviously we in this party support this resolution. I do not think anybody who has looked into the situation at all could oppose the principle of this resolution. We all recognize it is now a *fait accompli*. The federal government has taken action, after the lead from the United States. We do not need to promote this before this House or to try to encourage the federal government to take the action asked for.

This is primarily a federal government matter, and they have acted on it, but I suspect there may be some degree of regulation that the province can apply with regard to the extra stop lights. That aspect of it needs some further pursuit. Perhaps when the member rises to reply, he can answer my question about whether the present regulation enacted by the federal government applies to vans and trucks. The resolution mentions only automobiles.

Anyone who drives on the highways will agree that the greatest difficulty found in following

another vehicle is when you are following a van or something of that nature and can see nothing in front of you. With automobiles, you can see through the windshields in front. All those who give instructions in good driving say you should always be watching the second or third car ahead. You cannot do that with a van. I hope the member can give some indication of whether vans and trucks are included or whether he intends to pursue that to make sure they are.

Because of what has taken place and the regulations already now in place on this matter, I am somewhat surprised the member did not substitute another resolution for the one we have before us to deal with something that needs to be done. Believe me, there are lots of things needing to be done in the field of transportation, such as those mentioned by my colleague the member for Hamilton Mountain, or improvement of the proposed Ontario motor vehicle arbitration plan to provide for greater protection for the purchasers of new cars. I thought we might have a resolution before us that would have been operable after we passed the resolution rather than dealing with a *fait accompli*.

As already stated, I do not think there is any argument about the desirability of this. The only question is why it was not done years ago. We have dragged our feet on this matter in this province, compared to what many other jurisdictions have done, including the US, where I understand exhaustive studies were done. As long ago as 1978, I am told there was a study of 525 taxicabs for 18 months in Washington, DC. There was a 54 per cent reduction in rear-end accidents in taxicabs that had a brake light installed in the rear window as compared to those that did not. Another study, done in 1980 by the American Telephone and Telegraph Co. on 2,500 vehicles, showed a 53 per cent reduction in rear-end crashes. There was also a study of New York taxis which showed a 58 per cent reduction in rear-end crashes.

When we know that something like 17 per cent of all the collisions that take place in this province are rear-end collisions, it is very apparent the benefits that would accrue to the motorists and to the insurance companies in this province by having high-mounted brake lights in place on all vehicles.

The insurance companies have indicated this is very desirable. However, they have not gone so far as to say, as they should have—and once again it shows a bit of irresponsibility on their part—that a person who installs these should get some reduction in his insurance. They have refused to

do that to date. It would have been a real incentive if they had done that. However, as always, they are more interested in the volume of premiums they get than they are in encouraging good safety features, as this would be.

Therefore, I am going to vote in support of this resolution, realizing the principle has already been accepted, but there may be some refining that needs to be done.

Mr. McCague: I thank the members who have spoken of their support of this resolution.

The member for Hamilton Mountain mentioned that I should have done something about this when I was Minister of Transportation and Communications and that I had the power to do so by whatever means. I am not sure what he is referring to. I must point out to him that I did not have the regulation-making power to mandate these in a way that would have led to their use across Canada. It might be within the realm of the power of the Minister of Transportation and Communications to pass such a regulation, but it would be very difficult were it not done in the whole of the province.

I am pleased the minister put out a press release last fall. He did that after the introduction of my resolution, and I thank him for being in support, almost immediately, of the points I put forward.

The member for Halton-Burlington was very supportive. I am not sure how to translate the comments he made, but I will read Hansard later and get a truer picture of what was said. Then I may have to ask him what it meant.

I agree with the member for Halton-Burlington that we should standardize the kind of rear light that can be used. There are some rather fancy, razzle-dazzle ones that do not serve the same purpose; in fact, they may even distract drivers rather than get their attention.

I am pleased, of course, to have the support of my colleague the member for Mississauga East (Mr. Gregory). He brought up some very important and relevant points in regard to this.

I did not change my motion after its introduction, as some members of this House have done, because I felt that if the federal government saw fit to mandate them on all cars sold in Canada after September 1, 1986, it was still very worth while to proceed with the retrofit side of it. The support it is getting from the insurance industry is interesting. I do not have any shares in Speedy Auto Glass, but Speedy Auto Glass and Royal Insurance have combined to offer \$10 off for retrofits. It is a worthwhile project, and the president does come from my riding; so I congratulate him.

In answer to the question asked by the member for Welland-Thorold, I do not know what the situation is with vans and trucks. It is a good point, but as I recall, the lights on a van or a light truck are much higher from the ground than those on a car, and that may serve some of the purpose. The honourable member brings up a good point.

Not only do I support this resolution, but I am very much in favour of headlights being on all day. Perhaps the member for Welland-Thorold will bring forward a motion and extol all the virtues of that.

CONSTRUCTION DELAYS

Mr. Speaker: Mr. Offer has moved resolution 21.

Motion agreed to.

AUTOMOBILE SAFETY

Mr. Speaker: Mr. McCague has moved resolution 22.

Motion agreed to.

The House recessed at 12:02 p.m.

AFTERNOON SITTING

The House resumed at 1:30 p.m.

MEMBERS' STATEMENTS

LAYOFFS IN SUDBURY

Mr. Gordon: Since 1983, the Falconbridge work force has been reduced by 45 per cent. While working people were losing their jobs, production increased by 33 per cent. This corporation cries that earnings have not been sufficient and that small profits are not enough. Let us make no mistake about this, exorbitant profit is what they are after. The working people of Sudbury have worked hard and honestly for Falconbridge for decades. The working people of Sudbury made money for Falconbridge and its shareholders.

In 1984, Falconbridge's profits were in excess of \$28 million, the following year they were \$38 million, and now we have another layoff. Why is it that working people must time and time again be the anvil upon which multinationals hammer out the view that what is good for the company is also good for the community? It is time for the people to become the hammer for a change.

Falconbridge has spent \$40 million to expand its facilities in Norway to handle Botswana ore, and in Sudbury we have a layoff. Falconbridge purchases nickel on the London Metals Exchange, and in Sudbury we have a layoff. Falconbridge purchased Kidd Creek Mines in 1985, and in 1986 we have a layoff in Sudbury.

It is time for the Premier (Mr. Peterson) to heed the request of the members of Parliament, the members of the provincial parliament and the regional people to have a public inquiry in Sudbury.

GO TRANSIT

Mr. Breaugh: Today I want to make a plea to the government on behalf of all those people in and around Metro who commute each and every day.

In the mid-1970s, the government of Ontario made some very ambitious plans to allow for expansion in the area—particularly the one I am concerned with—east of Metro. All of the municipal councils in the regional municipality of Durham have accepted their responsibility for a great deal of expanded residential commuter facilities. We have a problem that is growing worse and worse day by day.

The government is supposedly committed to the concept of GO rail transit to Oshawa and beyond Oshawa. We await with bated breath the final announcements that will put in place the plans for GO rail transit to Oshawa. We watched with some trepidation when these plans were altered as the previous government changed from a light rail transit system to heavy rail transit. We know the facilities are needed. We know we have accepted the housing. We know the commuters are there. We know the roads are clogged each and every day, twice a day. We need GO rail transit, we need it now; and we need a commitment on the part of this government not only to plan wisely—we have that—but we also need the final commitment actually to put in place GO rail transit to Oshawa.

RECOGNITION OF SENIOR CITIZEN

Mr. Callahan: I have before me a recreation of Marguerite Bourgeoys, the first Canadian saint. This entire item was produced by handicapped people.

In the government members' gallery is Mrs. Alicita Marshall. She and her late husband were the founders of Marina Creations, which is an organization that employs handicapped people to create these dolls. There are 89 in all and they represent people in the history of Ontario and Canada.

This lady and her husband were also involved in opening up Marina Cardiac Lodge, which is the only facility that deals specifically with people who have suffered strokes and heart attacks.

I bring these matters to the attention of the House because this lady, who is 82 years young, has devoted her entire life to this project. She has instructed me to hand this over to the Speaker, compliments of Mrs. Marshall.

LIBERAL-NEW DEMOCRATIC PARTY
ACCORD

Mr. Baetz: Listen, everyone, it is storybook time again. Today it is the exciting story of Peterson the wolf who tried to blow down piglet Robbie Rae's house. Once upon a time, piglet Robbie lived in a house on the edge of beautiful Queen's Forest. For many months, Robbie romped happily and played games with all the other piglets who had organized themselves into committees.

One day Peterson the wolf, who was also king of the forest, heard that Robbie and the other piglets in the house were playing funny games that were against the rules and provisions of his kingdom. This made him very angry, but knowing the tellybirds, with their one all-seeing eye, were watching silently from their roosts, the wolf first asked Robbie, every so sweetly, "Little pig, little pig, let me come in." But the smart piglet Robbie Rae knew the wolf wanted to eat him up, so he shouted, "No, no, by the hair on my chinny chin chin, you cannot come in."

When Robbie refused to let the wolf in, the wolf growled in a loud, menacing voice, "I will huff and I will puff and I will blow the house down." So he huffed and he puffed and he puffed and he huffed, but he could not blow the house down because piglet Robbie Rae's house was not built of straw or sticks, or even bricks, but of a magic stuff called accord that could withstand all the huffing and puffing of even the biggest and angriest wolf.

Finally, not being able to blow down the house built on accord, the wolf slunk away into the forest. What had made him so angry and frustrated was that he knew he had only himself to blame because he had taught piglet Robbie Rae how to build a puff-proof house.

Mr. Speaker: The member has huffed and puffed his way.

CONFERENCE ON NORTHERN COMPETITIVENESS

Mr. Wildman: The purpose of the Conference on Northern Competitiveness to be hosted by the Premier in Sault Ste. Marie next Monday and Tuesday is, to quote from the invitation sent out by Canadian Marketing Group of Willowdale, "to establish a dialogue among business, labour, government and community leaders."

This is a very laudable purpose, and we in the New Democratic Party are looking forward to participating in the conference, but we are concerned about how successful this conference will be because of the apparent haphazard approach to organizing it.

Southern Ontario consultants such as Coopers and Lybrand apparently did not begin to contact people until late this month. Consultation with interested parties over the last two weeks has been on a very short notice basis. Outdated mailing lists have been used for invitations, and organizers are still trying to obtain correct addresses even as late as this week. Particularly in the labour sector, it is quite obvious that a number of people who should have been

contacted and consulted have been missed or are just being contacted initially this week.

On such short notice, I wonder whether this conference is going to be as successful as it should have been and could have been.

DR. R. GORDON BELL

Miss Stephenson: I should like to invite all members of the Legislature to join me in congratulating a most distinguished Canadian who happens to be a resident of the constituency of York Mills. His name is Dr. R. Gordon Bell. On Saturday of this week, he becomes one of two Canadian physicians to receive the Order of Canada, the Royal Bank Prize and an honorary doctor of laws degree from York University.

Dr. Bell is a graduate of the University of Toronto, in 1943, and is a most distinguished physician who has become a world-recognized expert in the successful treatment of alcoholism and drug addiction. It is a great honour for all of us to have a man of that calibre, that quality and that capability in our midst. Will members please join me in congratulating Dr. Bell on this achievement.

DAY CARE

Mr. Allen: I want to express my congratulations and, I am sure, the congratulations of the Legislature as a whole to the regional municipality of Hamilton-Wentworth, which, notwithstanding the reluctance of the provincial and federal levels, decided at its regional council meeting a week ago to engage itself in substantial additional funding of day care in this province in order to upgrade the underpaid and low-level wages and salaries that day care workers are currently receiving. It decided it would initiate new funding—100 per cent local dollars—to meet the upgrading needs of the workers in that system in the Hamilton-Wentworth region.

That should be a good example to the minister opposite, who, I am sure, would like to carry all the weight he can into cabinet to secure the same thing across the province as a whole. At the same time, I congratulate Leslie Russell, who was recently given the provincial children's service award in early childhood education for her leadership of the day care centre of Northwest Communicare of Hamilton and, later, the Chedoke-McMaster centre. One of the leading figures in day care work in our region, she is one of the figures who have made the day care coalition in this province the kind of force it is today.

13:41

STATEMENT BY THE MINISTRY AND RESPONSES

RICK HANSEN

Hon. Mr. Ruprecht: On October 24, I had the distinct honour of welcoming an outstanding Canadian into Ontario on behalf of the Premier (Mr. Peterson) and the government of Ontario. It was my great pleasure to greet Rick Hansen, the Man in Motion, at a special ceremony and reception in Ottawa sponsored by Ontario.

Today I have a special announcement to make. The government of Ontario is recognizing the extraordinary achievements of this outstanding Canadian wheelchair athlete by proclaiming the week of November 3 to November 9, 1986, as Rick Hansen Man in Motion Week. By the time Rick wheels into Toronto on November 2, this dedicated athlete will have completed more than three quarters of his journey, which has taken him to four continents and 33 countries.

Many organizations and groups will be expressing their appreciation for Rick Hansen's efforts by holding special events and activities during the Rick Hansen Man in Motion Week. We are pleased that in the midst of his very exhaustive schedule, Rick has accepted our invitation to come to the Legislature on November 6. This will give us the opportunity to greet and honour a young man who has inspired people around the world.

Rick's arrival in the Legislature will be preceded by a luncheon hosted by the Lieutenant Governor, the Honourable Lincoln Alexander. This occasion is being held to pay tribute to Rick and the many volunteers who have been so helpful to the success of his world tour.

Rick Hansen is fulfilling a personal challenge to wheel his chair a distance equal to the circumference of the world. By completing this symbolic distance, he hopes to increase awareness about the abilities and potential of people with disabilities and to raise funds for spinal cord research, rehabilitation and wheelchair sports.

Through his courageous efforts, Rick Hansen is creating an historic event. He is providing a unique opportunity for Ontarians to recognize the determination and ability of all people to meet life's challenges. The Premier has asked me to encourage everyone to support the goals of Rick's tour.

In June, the Premier and I announced Ontario's Decade of Disabled Persons. The goal of the decade is to promote the fullest possible participation and integration of disabled persons into all

aspects of society. With his commitment and perseverance, Rick's efforts will contribute significantly to this goal. Rick Hansen encourages all of us to work together to create a better life for everyone.

In closing, I would like to read the proclamation of Rick Hansen Man in Motion Week:

In recognition of the outstanding courage of Rick Hansen, the multimedallist champion athlete and one of Canada's outstanding citizens, in undertaking a global journey of over 40,000 kilometres across four continents, 33 countries and all 10 provinces of Canada in a wheelchair with such stalwart spirit and commitment; and

In appreciation of the inspiration that this achievement and heroic example of willpower is engendering among those with physical disabilities on how to overcome adversity and face challenges with renewed hope and confidence; and

In realization that the three-year wheelchair journey across the world is making a tremendous contribution to the public's awareness of the important accomplishments the physically challenged can and do achieve; and

In respect of the positive attitude that is being fostered for the integration of disabled individuals as full and equal participants in our pluralistic society; and

In praise of Rick Hansen's unselfish goal of raising funds for spinal cord research, rehabilitation and wheelchair sports and his dedicated efforts to encourage citizens of the world to contribute to the realization of these noble and humanitarian aims;

We therefore extend on behalf of the government of Ontario our sincerest congratulations to Rick Hansen and all the supporters of his worthy cause, with best wishes for continued success in helping the physically challenged members of our society to achieve their goals.

Whereas Rick Hansen has inspired us all and made us proud, we are pleased to recognize November 3 to 9, 1986, as Rick Hansen Man in Motion Week and commend its observance to the people of our province.

Mr. Baetz: I had the honour and the pleasure of joining the honourable minister to welcome Rick Hansen to Ontario when he crossed the bridge between the provinces of Quebec and Ontario. It was certainly a very inspiring occasion. They had a tremendous welcome for him in Ottawa. We were delighted to hear the announcement of a \$100,000 grant from the Ontario government for Mr. Hansen's personal crusade.

We can only welcome Rick Hansen to this province. We can only promise from this side of the House our full support for him, his crusade and, above all, what he stands for.

I had frankly hoped in this announcement today—and we can simply agree with every word that is in there—we would also hear something a little more tangible, a little more specific in terms of grants that this government would make, not only to Rick Hansen's crusade but to the disabled generally.

Surely this is a time to be doing this, because one thing that has impressed me about Rick Hansen, and I think the minister would agree, is that during the International Year of Disabled Persons we had that wonderful slogan, "Label us able;" Rick Hansen has personified that fine slogan in action.

Rick Hansen could be no better served and no more pleased than if, during his stay here in Ontario, we heard this government make some very substantial, specific, concrete contributions to the whole field of the disabled, because we know that with some help we can have them live fulfilled lives.

Mr. R. F. Johnston: I rise to praise Rick Hansen and to congratulate the government on recognizing a week in honour of the work he has done and the incredible travails he has undergone in his worldwide journey, trying to draw attention to the problems of people with his particular handicap but also to those of the disabled in general. For all of us, he has been remarkable and courageous example, especially in the lowest days when no one was paying attention and he was being robbed and harassed in various places. To have overcome all that and to re-enter Ontario in victory is a great tribute to him.

However, I stand as well with a little bit of cynicism. It is easy for us, as politicians and as governments, to attach ourselves to public heroes, people who have undergone these amazing travails in public and have drawn attention to their particular tribulations; but we seem to do so little to help those people who every day in their private lives are having to meet with a very private courage the troubles they have.

I have the strange privilege, it might seem, to have to exercise for cardiac rehabilitation at Variety Village. There I exercise with people with a variety of handicaps—quadriplegics, paraplegics, the blind and others—and watch them in their daily struggles just to strive to participate in life as it is in Ontario. I would feel much better

standing here today if I had heard some major public announcement about overcoming some of the problems those people face on a day-to-day basis. Rick Hansen would believe there was some real response to what he is up to if he had that kind of response from this government.

Let me give members some examples. A member got up today to talk about things that are produced in sheltered workshops. Do members know what we pay people in most of the sheltered workshops in this province? It is hideous, the small amount of money we provide to those people and then deduct it from their family benefits.

How many members have tried to take cases of people who needed attendant care or assistance to get into schools? I remember one 21-year-old boy for whom I tried to get assistance at York. His family was going bankrupt with the cost of trying to get him a few more years of schooling, perhaps before he died, and was unable to get that kind of money from the previous government. It is just as difficult to get that kind of money today.

There is a fellow in my riding, a quadriplegic who is 40 years of age. He has been in Providence Villa for 20 years and has never ventured out. He is just doing it now; he is going back to school two days a week. He cannot get assistance from this government or from the Metropolitan Toronto government to provide him with the money for his transportation and extra school costs, if members can believe that. I wonder how Rick Hansen would feel if we were providing support to him rather than just getting up and announcing a week in his honour.

As I said last week, if Rick Hansen were single and living in Ontario today, he could be receiving as little as \$329 a month to live on, if members can believe that. Surely we should be doing something about that today, not just announcing another week to draw attention to some of the problems.

Let me tell members about the 80 per cent of handicapped people in this province who are unemployed. The government offers one very small program, the work incentive program. Recent statistics that the Minister of Community and Social Services (Mr. Sweeney) has given me about the success of the work incentive program show that only 600 or so handicapped people out of the total 4,000 who are participating are using that program; of those, only 47 per cent have managed to get a full-time job as a result of that program and to stay with it. It has been a dismal failure when we have more than 50,000 people

on family benefits disability in this province today.

All members have received letters from the Ontario Cerebral Palsy Sports Association talking about Bill 38, which I dare say, if the government got a majority, it would reintroduce. What could that do to sports for the handicapped in Ontario?

Rick Hansen's journey is a wonderful symbol of what all handicapped people go through. For years and years they struggle on their own, leading very rough lives, isolated in our communities. He finally has come to some prominence, but is it going to be fleeting prominence, or are we going to see some structural changes that are going to integrate those people in our society, as they should be?

The minister's estimates are coming up, and I intend to take him step by step through what he can do to make the handicapped part of our community in a real way, not with just symbolic gestures, such as a week in the honour of a wonderful man such as Rick Hansen.

13:55

ORAL QUESTIONS

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Grossman: This afternoon, I want to return to what is becoming more apparent day after day, a rather large coverup of the Urban Transportation Development Corp. transaction. My question therefore is to the Minister of Transportation and Communications.

The minister will know that this morning the standing committee on public accounts was studying the UTDC matter and heard from Kirk Foley, while at the same time the minister and his ministry staff were at estimates in the standing committee on general government.

At that time, Kirk Foley acknowledged that a report on the future of UTDC had been prepared for the government in the fall of 1985. We understand that report indicated quite a good future for UTDC and a concern over the government's dismantling of UTDC and suggested the corporation not be sold. At the same time, in another committee, the minister denied ever having seen the report.

Is the minister prepared this afternoon to acknowledge the existence of the report, apologize to the House for not having it distributed and made public and give it to us?

Hon. Mr. Fulton: Possibly the Leader of the Opposition has done us both, and particularly his critic, a favour. In fact, the critic asked a very

similar question this morning. There is a problem with both the public accounts and estimates committees going on concurrently.

The critic asked about a report with an uncertain title, an unnamed author and an unspecified date. Now that the Leader of the Opposition has identified the author, perhaps he can provide me with the title and the date of the document he is referring to, so I can locate it in response to the critic's question. I will be happy to deliver it to him. He asked that question this morning. I answered it. I said to him that I would attempt to track it down—

Mr. Harris: What a coverup.

Hon. Mr. Fulton: There is no coverup. The question was asked in estimates this morning, and we guaranteed that if we could locate the author, the title and the date—and the member has just provided further information—we would do that.

Mr. Speaker: Does the member for Mississauga East (Mr. Gregory) have a point of privilege?

Mr. Gregory: I just want to correct the record, Mr. Speaker. I specifically told the minister the name of the report this morning, and I wish he would admit it.

Mr. Speaker: Order. That could be a point of personal explanation; it certainly is not a point of privilege.

Mr. Grossman: The minister's answer indicates either the total disorganization with which he and his ministry have handled the sale of UTDC or, in the alternative, unparalleled arrogance in violating every speech the Premier (Mr. Peterson) has given about open government.

The report, as my colleague told the minister in committee this morning, was to the government of Ontario on the future of UTDC. It was prepared by Kirk Foley, who was then running UTDC. UTDC has been in front of the public accounts committee, and the minister has been asked for information on UTDC in this House for almost one full year. He and his government have hidden a key report outlining the future of UTDC and relating directly to all the questions that have been asked.

Is the minister prepared to acknowledge this afternoon that on the closing of UTDC, he received \$10 million cash and that by the end of tomorrow he will have paid \$21.2 million to Lavalin and got back \$10 million?

Hon. Mr. Fulton: The Leader of the Opposition continues to mix apples and oranges. His question is as empty as his benches. There is

incoming revenue from old UTDC on the one hand and there is incoming revenue to the province on the other. The question that was asked of me this morning was whether I was in possession—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Fulton: In regard to the question about the one piece of information that may or may not have been made available—obviously the Leader of the Opposition has it, and his member rightfully asked for that information this morning—that was a document I was not aware of until the member for Mississauga East brought it to our attention this morning. He did not state the author and was not quite certain of the title.

Mr. Grossman: That was not the supplementary question. Get back to the question.

Hon. Mr. Fulton: The member included it in his question, and I am going to include it in my answer. As I stated to him on the record, in Hansard, when we have located the report, he will be the first to receive it.

Mr. Grossman: When the Minister of Transportation and Communications who sold UTDC finds the report filed by the president of UTDC on the future of UTDC one year after it was written and six months after the announcement was made that it was being sold, he will be kind enough to share it with us. That outlines his attitude. Let us put it on the record.

Interjection.

Mr. Grossman: The Attorney General (Mr. Scott) has just shouted across the floor that UTDC itself was an outhouse. Let the record show that is the Attorney General's opinion.

Interjections.

Mr. Grossman: Can the minister support that gratuitous insult, that arrogance shown to the workers at UTDC in Thunder Bay and in Kingston, as outlined by the Attorney General? Does that explain why—

Hon. Mr. Scott: Come on. Remind the member about the television.

Mr. Grossman: The Attorney General gets very antsy when we talk about him. I will ask him questions about women's issues or abortion if he is not careful.

Does that explain why the minister accepted—

Interjections.

Mr. Speaker: Order.

Mr. Martel: That was a good question.

Mr. Speaker: I thank the member for Sudbury East.

Hon. Mr. Fulton: I think the member for Sudbury East heard more of the question. Perhaps he would like to answer it.

When I think of all the questions that have come in from the Leader of the Opposition about UTDC and when I think about Lavalin, about the employers, the employees and all the workers who are dependent on an ongoing and financially viable operation, I wonder why the member constantly asks questions and makes comments in such a negative manner, predicated on failure.

Interjections.

Hon. Mr. Fulton: I am answering his question.

Mr. Grossman: We are now in day three, and the minister is continuing to cover up the sale price. We will be back to find it.

RESIDENTIAL RENT REGULATION LEGISLATION

Mr. Grossman: On the question of coverups, the tenants of Ontario are eager to know what rents they are going to be facing as a result of Bill 51. Let us try for a third day to find out from the Minister of Housing in a simple, skill-testing question what rents the tenants are going to be facing.

As a result of the questions I have been asking the minister, Gardner Church, his assistant deputy minister, alleges that on the facts I presented to the House, my figure of a 22 per cent increase is wrong and it can only be 15 per cent. We spoke this morning to Fred Peters, who the minister will discover is his executive director of the rent review division and his expert on Bill 51. Taking Mr. Peters through the fact scenario, he acknowledges that the rent increase possible is 19.25 per cent.

I invite the minister to select one of the following: our 22.25 per cent, Mr. Peters's 19.25 per cent or Gardner Church's 15 per cent.

Hon. Mr. Curling: I cannot believe the Leader of the Opposition would have the gall to stand up today to ask me any questions with regard to this when the report in the Globe and Mail conceded that those figures are wrong. I am appalled that he would use the tenants of this province in these tactics of giving erroneous figures, if the Globe and Mail is correct, just to manipulate and frighten millions of tenants in this province. He should be ashamed of himself.

Interjections.

Mr. Speaker: Order, please. I will just wait while the members have their conversations across the floor. I remind all members that interjections are out of order.

Mr. Grossman: Three days ago we gave the minister this fact scenario. This afternoon I want to ask the minister, does he agree with Fred Peters, who works for him as executive director of rent review, that under the scenario we presented, the possible rent increase is 19.25 per cent? Does the minister agree with his employee Mr. Peters?

Hon. Mr. Curling: The Leader of the Opposition brings hypothetical questions to us every day and then wants an answer. He searches for certain answers. I do not know how I can trust the figures he brings forward. I think I should stick to the facts. Perhaps the Leader of the Opposition will present this to me and I will write to him. I cannot teach Bill 51 to him in question period.

Mr. Grossman: I agree with the minister. He cannot teach Bill 51 to anyone. I agree with him about that. The minister is right about that and silos.

I want to say seriously to the minister that he and his leader are doing a lot of sabre-rattling about having their way on Bill 51 or the bill will be withdrawn. If that is the proposition of the minister, it is only fair and responsible for the opposition parties to try to determine on behalf of the tenants of this province what possible rent increases they face as a result of Bill 51.

We have checked out, a not unusual fact circumstance, with his ministry, with Fred Peters, head of the ministry's rent review program. Mr. Peters has acknowledged to us that by his calculations, not ours, the possible rent increase is 19.25 per cent. My simple question for the minister is, does he agree with Fred Peters of his ministry that by this scenario, rents can go up 19.25 per cent under his legislation?

Interjections.

Mr. Speaker: Order.

Mr. Sargent: On a point of order, Mr. Speaker: I am amazed at the licence the Leader of the Opposition (Mr. Grossman) has. I have been tossed out three or four times for doing a hell of a lot less than that. He never asks a question. He just talks back and forth.

Interjections.

Mr. Speaker: Order.

14:10

Mr. Harris: A point of order, Mr. Speaker.

Mr. Speaker: What is the point of order?

Mr. Harris: A question was asked by the leader of Her Majesty's loyal opposition. The Liberal members all yelled, and you waited until the noise died down. Now we are ready to hear the answer from the minister.

Mr. Speaker: I appreciate the help of the member for Nipissing (Mr. Harris). However, it is up to the Speaker to make decisions at question period time. From the attention I am getting now, I am sure we are going to continue to get that attention for the balance of question period. We will get in a lot of questions; therefore, we will have time for a brief response by the minister.

Hon. Mr. Curling: Our study at the ministry has shown that rents will increase far less than under the previous bills that were in. We had seen increases of up to 40 per cent or 50 per cent. We are now seeing an average increase of almost 4.7 per cent. If the Leader of the Opposition is bringing in figures that are wrong, as he admits, just to frighten the tenants of this province, he should act in a much more responsible manner.

PAY EQUITY LEGISLATION

Mr. Rae: I had a question for the Premier, who was here. It was my understanding he was going to be here.

An hon. member: Here he comes.

Mr. Rae: My question to the Premier concerns equal pay. The Premier will know we had discussions about this in the House on Tuesday. There are reports in the press today that the House leader has been saying that if amendments are carried in the committee, it is his intention to pull the bill.

I would like ask the Premier whether that is the policy of the government. Specifically, what is so wrong with our party moving amendments that are entirely in keeping with the accord, which the Premier and I both signed, which applies to both the public and private sectors, as he will know? Why is the legislation that is now before the House and before the committee not going to do anything for literally hundreds of thousands of nursing home workers, hospital workers and other people who, surely the Premier would agree, are entitled to their claim to equal pay for work of equal value, as well as those who work directly for the government?

Hon. Mr. Peterson: I apologize to my honourable friend for being out of the House.

I am not sure I read the same quotation in the paper that the honourable member did this morning. My impression was that he said it was

one of the options in the circumstances. As the member knows, the House leader, being an expert on parliamentary procedure, and with the advice of a number of eminent authorities, is deeply concerned about the precedents being set by the committee in overruling the advice of the chairman in that regard. From a procedural point of view and in keeping with the traditions of this House, it is of very great concern to the House leader, as indeed it is to this government.

With respect to the second part of the question, it is this government's intention to proceed on equal pay as we said we would: in the public sector, then to the broader public sector and to the private sector as well. It is to be done in an orderly way. I believe it has been thought out carefully and I think that commitment is clear and there for everyone to see.

Why it is necessary for members opposite to take advantage of their obvious superiority in terms of numbers in this House by violating, in our view, a tradition that is so fundamental to this Legislature is to us a very disturbing proposition. We are going to solve those problems, we are working on them and we expect to present that solution in the not-too-distant future.

Mr. Rae: Let us not deal in technicalities and let us not play politics with this issue. Let us look at it hard and straight with respect to the issue. What is the Premier's problem with the idea of extending legislation that applies to the government directly and letting that legislation apply to women who are working in nursing homes, women who are working in hospitals and women who are working in municipal governments and for municipal services?

What is the problem with that, in substance? What is the big hangup over there? Does the government not believe in equal pay for work of equal value? Does the government not understand this is the principle it signed and said it was in favour of? What is the government's hangup? Do not deal with the technicalities; deal with the substance. This is the only bill we have before us. Surely the government is not going to deny us, as members of the Legislature, the right to amend legislation that is put before the House?

Hon. Mr. Peterson: When one is entrusted with the responsibility of governing, one of the realities is that one has to concern oneself with technicalities, laws, information and the responsibility therefor. If my honourable friend wants to accuse me of playing politics, I think on this issue he should follow his own advice, particularly before he puts a question of this type. As a respected member of this House and as someone

who understands parliamentary tradition, he knows what happened in that committee was a very serious violation of our traditions.

I believe the member for Sarnia (Mr. Brandt), who exercised his position of responsibility in this House in a very thoughtful and evenhanded way, in my opinion, came to the same conclusion. I am sure the member's advisers on parliamentary procedure, by whom he is surrounded on both sides, would give him the same advice in their quiet dispassionate moments, which I know are rare in both their cases but I am aware they do have those moments.

What I am telling the member for York South is that we are proceeding on those issues. He knows how we are proceeding. We have shared that with him and with all members of the House. We believe we are proceeding in an orderly way to cover the public sector, the broader public sector, the people he speaks about in his question, as well as the private sector.

I think he has to have respect for the government's responsibility of introducing this legislation and bringing it in and he has to have respect for the traditions of this parliament as well.

Mr. Rae: The Premier knows perfectly well that what he is doing is using gobbledygook to cover up and to obscure an issue that is very simple. It is very straightforward. It has to do with the commitment of the Liberal Party to a document which he himself signed and to a principle which is of importance to more than two million women who are working in Ontario. That is the issue and the Premier knows that is the issue.

I would like to tell the Premier that what seems orderly to him is excruciatingly slow. We have seen no bill on the private sector. There has been no discussion of any legislation dealing with the private sector. We have not seen it. Is he going to pull the only piece of legislation that is now before this House dealing with equal pay for work of equal value? Yes or no?

Hon. Mr. Peterson: I say to my honourable friend I would never accuse him of being simple, but this is not a simple issue, as he knows, in its implementation and in the regulations and laws pertaining thereto. A great deal of thought has been given to this by this government. I do not know how many times he would like me to restate my commitment to the principles and the implementation. We are doing that in a thoughtful and orderly way.

He is entitled to stand up and make all the speeches he would like to make about how it

should go quicker, how it should have been done last year or 10 years ago, or anything else he wants to do. That is a legitimate area of his responsibility and he is exercising that responsibility; but when he abuses the power of the opposition in this House, violating long-standing traditions, then I suggest to him that he wants to rethink what he is doing in this particular circumstance.

AUTOMOBILE INSURANCE

Mr. Rae: I have a new question of the Minister of Financial Institutions. The minister has inspired several leaks over the last few days, which have caused various effects that my colleagues will be discussing later in the question period. I want to ask about the latest leak, after what must have been a fascinating cabinet meeting yesterday.

Apparently, his response to the insurance crisis is to appoint a commission to study the commission whose report we had last spring, a commission on a commission, which even for the Liberal government is almost a record. I presume this commission will produce a white paper that we can then study.

14:20

Is the minister aware of what this delay is costing the consumers of this province? Is he aware, for example, that if one takes the 1983 figures, all auto insurance figures combined—Manitoba average premium, \$269, Ontario average premium, \$368; a \$100 difference—there is a 37 per cent difference, more than \$500 million in excess premiums, when one compares province to province? Is he aware that he is sticking the consumers of this province with a \$500-million bill because of his inability to deal with the question of insurance in Ontario?

Hon. Mr. Kwinter: As usual, the leader of the third party goes off on his particular pet hobby-horse, dealing with nationalizing the insurance industry in Ontario. I can tell him we are dealing with the insurance problem in a rational, organized and responsible manner.

Mr. Rae: If one has to ride a horse, I would much rather be riding this one than the one the minister was riding yesterday. That is all I can say.

Dr. Slater produced his report. The government said there would be a period of consultation after the report. The minister has gone on record on many occasions as saying the government would take steps once those consultations were over. What will the government do for the drivers of Ontario about the insurance ripoff?

Hon. Mr. Kwinter: I suggest to the leader of the third party that if he will have a little patience, he will see what our response will be.

Mr. Rae: I appreciate all the condescending advice I have received today. It certainly does my soul a lot of good.

Is the minister aware of the cost of his delay, of his prevarication, of his vacillation and of the government's inability to deal with an issue that is affecting drivers and consumers right across this province? Is he aware of the extraordinary difference in premiums being paid in Ontario today as compared to those being paid in provinces that have public insurance plans? If so, how does he justify the \$500-million ripoff, the at least \$99-a-year ripoff, on average, of every single motorist in Ontario because of his inability to act and to deal with the private-profit insurance monopoly in Ontario?

Hon. Mr. Kwinter: If I may, I want to give the honourable leader of the third party another lesson in the insurance industry. If the member has read anything other than his own propaganda, he will know that for every \$1 of premium that is paid in Ontario for insurance, it costs \$1.31 in claims. If the government got into the insurance business, there would not be one fewer accident, there would not be one fewer repair and there would not be one fewer employee working to do it. If anything, bureaucracies being what they are, there would be more. The only difference would be that there would be a profit motive. If one charges \$1 and pays out \$1.31, there is no profit. The only profit is in other aspects of insurance.

What the member is suggesting is that everybody in Ontario, whether or not one drives a car, should be subsidizing those people who drive cars. That is a position we are not prepared to take.

MINAKI LODGE

Mr. Rowe: I have a question for the Minister of Tourism and Recreation and fire sales. Last Thursday in this House, the minister announced the possible sale of Minaki Lodge. Now that a week has gone by, would the minister share with this House further details on the sale of Minaki Lodge? Specifically, when will the deal be signed and how much money did he actually receive for the resort?

Hon. Mr. Eakins: I said in my statement to the House that as soon as the signing takes place, I would table all the documents relating to Minaki Lodge, and I am quite prepared to do that.

Mr. Rowe: Quite prepared.

Mr. Speaker: Supplementary.

Mr. Rowe: It is quite clear now.

Can the minister confirm or deny that \$3 million was paid for this \$33 million resort and that a further tax holiday—

Interjections.

Mr. Rowe: Listen to this; it gets better. This is the good part. Three million dollars was paid for this \$33-million resort. A further tax holiday at the expense of the Ontario citizens was granted in the amount of \$30 million, which would actually mean that he paid someone \$2 million to take Minaki Lodge off his hands. Can the minister confirm that?

Hon. Mr. Eakins: First, the honourable member does not know what he is talking about. He is very much like his leader. When he quotes figures I do not put much credibility into it.

I will also tell him the taxpayers of Ontario will be very pleased when I table all the documents in this House.

PCB SPILL

Mr. Wildman: I have a question of the Minister of Energy regarding the polychlorinated biphenyls spill into the Mississagi River, north of Iron Bridge and Thessalon yesterday, a major fishing and tourist area. This spill took place at Ontario Hydro Wells generating station. It is the second PCB spill by Ontario Hydro within two weeks in northern Ontario.

Is the minister aware that 30 litres of liquid, which was 70 per cent PCBs—that is, millions of times more dangerous than the spill at Chapleau—escaped down an open drain into the river? Can he explain why Hydro ignored the Ministry of Environment's recommendation of weeks ago that Hydro not replace PCB-filled transformers in that area as long as the drain was open into the river?

Hon. Mr. Kerrio: Yes, I am aware of the spill. It is under investigation. I am very anxious to know just how the spill took place, the types of precautions that were taken and the ones that should be taken. The Minister of the Environment (Mr. Bradley) is examining the situation. I cannot report to the House right now, but I shall when I have more information.

Mr. Wildman: I appreciate that the minister is going to investigate the situation. In his investigation, will he determine what steps Ontario Hydro is going to take to ensure that these types of spills do not occur any more and to ensure that

Ontario Hydro follows the recommendations of the Ministry of the Environment?

Is he going to give us a report on what compensation Hydro will give to the tourist outfitters along the Mississagi River, who will be be adversely affected if the fish take up the PCBs?

Hon. Mr. Kerrio: Yes. I confirm to the honourable member that I am very concerned particularly as it relates to the threat to humans in the area and, secondarily, as it relates to the fishing opportunities there.

It is always of great concern when we have those types of spills in and around our waterways. From the little information I have, it seems that there was a spill when a crane was hoisting a transformer, which struck a rock, burst open and the spill occurred.

I am also very anxious to find out the precautions that are taken by the workers when a transformer full of PCBs is being handled and whether there should not be more caution taken in the handling of such devices.

I will certainly bring a full report back to the Legislature as soon as I have it.

14:30

LAYOFFS IN SUDBURY

Mr. Gordon: I have a question for the Premier. Peter McBride, who is the public relations director for Falconbridge, has been quoted as saying the company does not see any need for a public inquiry into the corporate activities of Falconbridge. Is Falconbridge's attitude towards a public inquiry the Premier's?

Hon. Mr. Peterson: I do not know Mr. McBride. This question was raised a week or so ago by the member for Sudbury East (Mr. Martel). I am meeting tomorrow, I believe it is, with Mr. James from Falconbridge. I will be making my own determinations about what his plans are.

Mr. Gordon: What concerns the people of Sudbury and the people of Ontario is not Mr. James's plans, but the plans of the government and the Premier of Ontario to speak up for the people of the Sudbury region.

It is believed by the union that in past years the company has purchased Soviet or Cuban nickel on the London Metals Exchange. There are questions about their activities with regard to the purchase of Kidd Creek and how that affects the layoffs in Sudbury. It is believed the purchases made on the London Metals Exchange were made on the backs of the workers in Sudbury.

If the Premier is not going to have a public investigation or inquiry into the activities of Falconbridge, is he prepared to tell this House that Falconbridge is not buying Soviet or Cuban nickel on the London Metals Exchange?

Hon. Mr. Peterson: Not at all. It is my understanding that they did buy some nickel on the London Metals Exchange. I do not know all the facts, but my understanding is that there was some sort of rational explanation in the sense that it was to meet a short-term demand situation. I am under the impression that it is not ongoing, but I could be mistaken.

Obviously, those are questions to which I will be trying to get an answer. If it is my honourable friend's suggestion that we have a public inquiry into Falconbridge, then let him stand up and say so. If that is his position—

Mr. Gordon: What does the Premier think I said? I just said that.

Hon. Mr. Peterson: The member did not say that. He asked what we were going to do. I am telling him that I am obviously concerned about the viability and the plans of Falconbridge, as I am about Inco and many other companies in northern Ontario at present. I am very concerned about the prospects. As I said, I will be having a conversation tomorrow, and I will see what the situation is.

Mr. Gordon: That is a very narrow position. I am very surprised. I thought—

Mr. Speaker: Order. The member for Sudbury has already asked his question, and now it is time for the member for Bellwoods.

PENSION FUNDS

Mr. McClellan: I have a question for the Minister of Financial Institutions with respect to the leak two leaks ago from the ministry to the Toronto Star. Two leaks ago was Saturday. The story says the Ontario government will introduce legislation establishing private pension inflation protection at the level of 60 per cent of the cost of living, the consumer price index. Is that leak as false as all the other leaks, or is it true that the cabinet was sufficiently bird-brained to approve a policy that will allow 40 cents on the dollar of pension contributions to be eaten away by the ravages of inflation?

Hon. Mr. Kwinter: The members of the third party are constantly referring to the Toronto Star as the source of their information. If they want to govern their responses on that basis, that is their business. As far as I am concerned, when I introduce legislation or make statements in the

House, the members will have an opportunity then to question me on those policies. It is counterproductive to get into a debate about things that appear in the newspaper.

Mr. McClellan: I assume the answer was the first one, that it was as false as all the others and that the minister, in his condescending way, refuses to discuss the consequences of his actions.

Is the minister aware that as a result of the leak, Abitibi-Price has broken off negotiations with the Canadian Paperworkers Union? He will be aware that these are industry trend-setting negotiations. Abitibi-Price has broken off negotiations on the grounds that it will not proceed to negotiate pension benefits until the minister clarifies his statement on his intention to bring in inflation protection at a level of 60 per cent. Maybe now he will answer the question.

Hon. Mr. Kwinter: The statement the member refers to was not my statement. It was a statement in the paper of someone's interpretation of what he thought we might do, and that is nothing I can respond to.

RENTAL HOUSING LOAN

Mr. Gillies: I have a question for the Minister of Housing. It is the same question I asked the minister three days ago. The minister knows he and the province have the responsibility for enforcement of the Building Code Act. A large apartment complex under construction on the waterfront in this city does not have the benefit of a building permit. Will the minister live up to his responsibility and either ensure that an investigation is undertaken or ensure that a building permit is issued on the Huang and Danczkay project at 350 Queen's Quay?

Hon. Mr. Curling: I have asked my staff to monitor the situation very closely. When I have a report on the matter, I will report to the honourable member.

Mr. Gillies: I am very pleased the minister has a report, but we checked just before question period: construction is continuing; the project still does not have a building permit; the building commissioner is furious.

I remind the minister that when a couple of island home owners wanted to do repairs on their houses without building permits, a stop-work order was issued and the buildings were ordered demolished. How can the minister have us believe this Huang and Danczkay project is not receiving special treatment when clearly the Building Code Act is not being applied equally in that case as it is in every other case?

Hon. Mr. Curling: I was informed last night that the city had issued a stop-work order on the project. As I said, as soon as I get a detailed report of what is going on, I will let the House know.

The member stands in the House each day and makes sweeping allegations implying that there is interference and that some illegal things are going on. I would like the member to stand up and give concrete evidence of what he is trying to indicate.

Interjections.

Mr. Speaker: I ask the members to control themselves. I know they get a little heated at times, but it is time to calm down and let the member for Essex North (Mr. Hayes) ask a question.

DETROIT INCINERATOR

Mr. Hayes: My question is to the Minister of the Environment. The Ministry of the Environment has been aware of the proposed garbage incinerator in the city of Detroit since September 1984. No doubt the minister was aware that construction would start in May 1986. Why did the minister wait until April 1986 before raising concerns on this issue with the representatives from the state of Michigan?

Hon. Mr. Bradley: I read somewhere in the paper that apparently there was some reference to this back in 1982, which is four years ago. I know this member is asking basically the same question or making an assertion that a member of Parliament has made in the federal House or elsewhere.

What is important, because the actual hearings and the actual proceeding with the incinerator, final approvals and so on took place relatively recently, is that when it was clear they were moving in that direction, I indicated the opposition of Ontario in very strong fashion.

14:40

Mr. D. S. Cooke: The minister botched it, just as the previous government did.

Hon. Mr. Bradley: That is not true. The member for Windsor-Riverside (Mr. D. S. Cooke) can wax eloquent on this, but he is simply inaccurate in what he is saying.

Mr. Speaker: The member for Windsor-Riverside was not asking the question.

Mrs. Grier: The facts are very clear. On September 24, 1984, the ministry—and it was not his ministry then—received a letter informing it of a public hearing into this incinerator. There was no response.

Despite the fact that this minister took office in 1985, it was not until April 1986 that concerns were raised. Does the minister not agree it is shocking that the city of Detroit has to hear of Ontario's concerns only by way of the media? Now that its delay has obviated all opportunities of legal redress, why has the Ministry of the Environment of Ontario not directly approached the city of Detroit, the builder of the incinerator, and asked for scrubbers?

Mr. Speaker: Order.

Hon. Mr. Bradley: First, I cannot answer the question of what happened previous to when I was the minister. That is the way it was then; I cannot answer that. The member will have to ask the former minister.

In regard to the present circumstances and how they developed, it would be inaccurate for anyone to suggest this government has not indicated the province's position in very clear terms to our counterpart, the state of Michigan, which has certain regulatory authority over this incinerator. The Premier (Mr. Peterson) has drawn it to the attention of the Governor of Michigan on many occasions. As the Minister of the Environment, through my office, I have drawn it to the Governor's attention and that of the natural resources department.

We have indicated clearly that we are prepared to intervene in the most effective way in the courts if that is necessary. To go back in history to determine whether that would have had an influence is interesting speculation, but the state of Michigan, the US Environmental Protection Agency and the city of Detroit all know the position of this province.

With the continued persistence of this government and the assistance of the federal government, which is on side with us in this regard, along with the people in the Windsor and Essex area, I am confident we will have the impact that is going to be necessary. The best available technology should be applied; that has been my position consistently.

MINORITY-LANGUAGE EDUCATION

Mr. Davis: I have a question for the Minister of Education, who is aware that the Prescott and Russell County Board of Education is electing an English-language education council—for his information, it is ELEC—under Bill 75 this fall. The board wanted to hold elections through three regional general meetings to ensure appropriate representation from all areas of the county. However, it was told it could have only one general meeting to elect the members.

Will the minister please explain to me the rationale for telling the board it can have only one general meeting rather than three regional meetings?

Hon. Mr. Conway: I am happy to be distracted from my reading about the last days of the ancien régime. That government was really ready for a change. If the member has not bought it, it is worth it, if only for the first half, which deals with the Leader of the Opposition (Mr. Grossman) having had a furniture fetish while he was a minister as well as when he became Leader of the Opposition.

Mr. Speaker: This is not the appropriate time to try to sell books.

Hon. Mr. Conway: I did not realize the Leader of the Opposition worried so much about the leather chairs in the cabinet office.

Miss Stephenson: Shall we start talking about the minister's fetishes?

Hon. Mr. Conway: I have aroused the interest of the member for York Mills (Miss Stephenson), about whom there is much—

Mr. Speaker: Order. Does the member have a supplementary?

Mr. Davis: It is interesting to know that the Minister of Education, like his colleagues whom he sent across this province to explain Bill 75, is unable to answer a simple question. Perhaps he might like to try the supplementary.

Why would the minister not allow the Prescott and Russell county board to have many regional meetings when he has given permission to his own board, the Renfrew County Board of Education, to have more than one general meeting in its area?

Hon. Mr. Conway: I warn the member that some of these people say Bill Davis was the fall for the last gang; let the member not be the fall for the next time.

Those elections are taking place because this government, under the leadership of this Premier (Mr. Peterson) and on the part of this Legislature, has made a commitment to minority-language education that is going to give francophones in Ontario and anglophones in communities such as Prescott and Russell the right to have control over their own schools.

We have set before the people of Ontario various opportunities to meet the requirements, and I am pleased to report those elections are taking place with, by and large, much enthusiasm and very considerable effect, despite the naysaying of the honourable member.

OBSTETRICAL SERVICES

Mr. D. S. Cooke: I have a question for the Minister of Health. I would like to read two paragraphs of a letter from Dr. Elliott Lyons, an obstetrician, to his patients:

"The fee for uninsured services for obstetrical care is \$500. You can choose to pay this fee in advance or in instalments of \$100 after 16 weeks, \$200 after 32 weeks and \$200 after delivery. You can choose to pay for uninsured services as they occur. These services include: a fee of \$10 per visit; a fee of \$15 per page for each form or letter; \$15 for a phone call reordering prescriptions; a fee of \$30 for 10 minutes or part thereof for telephone counselling; a standby fee of \$100 for first trimester, \$200 for second trimester and \$200 for a third trimester."

Does the Ontario health insurance plan pay for any of this service?

Hon. Mr. Elston: We had extended discussions yesterday with the members of the College of Physicians and Surgeons of Ontario. There is a concern with respect to people asking for payments in advance of delivery of service. I would like to receive a copy of that letter and advance it to the members of the college, so we can investigate further what is inappropriate in that.

I have some concern, for instance, when I hear of physicians charging for standby before services are delivered. In fact, on a logical basis, if a physician were to take on a patient who was expecting a child, one would expect to have insured services include the availability of the physician to deliver that child.

Mr. D. S. Cooke: Dr. Dixon, the registrar of the college, is quoted in today's paper as saying they cannot do very much until the Minister of Health clarifies this matter. When is the minister going to clarify this problem, and when is he going to eliminate the practice?

Hon. Mr. Elston: It is fair to say that Dr. Dixon has indicated he would like the rules surrounding the operation of OHIP to be clarified, and I do not disagree with the registrar of the college. If people look at the history of the OHIP system, they will realize we have adopted a fee guide that has focused more attention on the money side of it than on defining what services are delivered.

I certainly take interest in Dr. Dixon's suggestions; in fact, he made them to me yesterday in the meeting. Not only is Dr. Dixon interested in a better definition of what is provided as services; so am I and so, I

understand, are the members of the medical association of this province.

USE OF LOTTERY FUNDS

Mr. Mitchell: I have a question for the Premier. I am sure he is well aware of the great concern he has raised in the province, particularly among most sporting groups, as to the intent of Bill 38. They see the commitment of this government being tremendously reduced. A program that was well founded is going to be irreparably damaged. In an attempt to override the fear that exists out there, the Premier said in reply to one of the constituent groups: "Please be assured that this change does not reflect any lessening of the government's commitment to recreational and cultural activities. Thank you for writing. This government will continue to support the cultural and recreational life of the province in a way which fully recognizes their major role and contribution." Does the Premier stand by those comments?

Hon. Mr. Peterson: I stand by every nice comment the honourable member made just now.

Mr. Mitchell: I find it very strange that the Premier can say he stands by that when the premier figure skating event is being held in Ottawa-Carleton in February 1987 and the Premier and his government have offered the Canadian Figure Skating Association the munificent sum of \$5,000 to assist it. Is he planning on assisting them more?

Hon. Mr. Peterson: I want the member to know I am always happy to assist him with his constituency problems. I am not familiar with the request, with how much it is for or with what is involved in the situation. I will discuss it with the minister, who is sensitive to all these requests.

My friend is somewhat exercised about a bill the Treasurer (Mr. Nixon) has brought in to regularize some transactions that have gone on for some time. As the member knows, it was his government that froze the capital grants and that played grants to cultural and sporting activities like a violin. It would turn them down between elections and turn them up at election time and pay for the province with a cheque.

This government has done more to support culture and recreation and the arts. If my friend does not believe me, he should go and ask the communities that are seeing a new responsiveness by this government in support of an extremely important part of this great province.

SUNDAY RACING

Ms. Bryden: My question is for the popular minister today, the Minister of Consumer and Commercial Relations. On Monday the minister told me that when the Ontario Racing Commission made its decision on Sunday racing at Greenwood, he would be prepared to play a role if the decision did not resolve the residents' problems of inadequate public input and no consideration for the impact on the community.

Since the decision has come down and is in favour of Sunday racing, but completely ignores these two problems, in the interests of fairness and open government, will the minister immediately bring in amendments to the Racing Commission Act to guarantee to residents their democratic right to have their concerns considered before any approval of Sunday racing for Greenwood can be implemented?

Hon. Mr. Kwinter: The member will know the matter is before the courts. The residents have gone to court, and it would be inappropriate for me to comment on that specific aspect of it. What I should point out is that the residents had an opportunity to be heard by the racing commission. The racing commission allowed them to come in and was prepared to accommodate them. What had happened was that there was a question as to whether the racing commission had jurisdiction, not to hear the residents—it was prepared to do that—but to hear the matter they were bringing up and which is now being determined in the courts.

Ms. Bryden: Is the minister aware that in the explanatory notes to its decision the Ontario Racing Commission justifies Sunday racing at Greenwood because it is "overwhelmingly in the best interests of the Ontario racing industry and its 46,000 employees"? Because this statement clearly demonstrates that the present commission is interested only in the welfare of the industry and not in the welfare of the residents, will the minister also amend the Racing Commission Act to replace the present one-sided Ontario Racing Commission with a more representative body to ensure that residents' concerns will have equal consideration?

Hon. Mr. Kwinter: If I may, I will give an analysis. If the Stanley Cup playoffs were being held at Maple Leaf Gardens in Toronto and there was a problem outside with the street, the traffic, the parking and the noise, we would not go to the National Hockey League and ask it to resolve the problem. If we had a problem at Exhibition Stadium because there was a championship game

with the Blue Jays, we would not go to the American League to resolve the problem.

The people who run the racing commission are involved with racing. The people who have jurisdiction over the traffic, the streets and the noise are the municipal politicians.

VISITOR

Mr. Speaker: I would like to advise all members that there is a gentleman leaving the gallery, Murray Gaunt, who is a former member for Huron-Bruce. Please welcome him.

PETITIONS

DRUG PRICING

Ms. Gigantes: I would like to place on the record of the Legislature a petition that has been addressed to the Minister of Health (Mr. Elston) from the committee on social responsibility of the First Unitarian Congregation of Ottawa. It concerns the health of the elderly. The petition reads:

"We, the undersigned, object to the proposed changes in the Patent Act relating to the compulsory licensing of new medicines, which would result in unnecessary increased costs for medicine for health care of the elderly. This load would be thrown upon national and provincial treasuries, private drug insurance plans and private, uninsured individuals if all new medicines are permitted exclusive marketing privileges for the lengthy periods of time suggested in the proposed legislation without the possibility of the early licensing of generic, more reasonably priced versions.

"These extra costs will fall not only on Canadian taxpayers as a whole but will be unevenly distributed over family groups, hitting in particular those afflicted with a disease requiring extensive new drugs, often for the treatment of terminal illness, for example, new chemotherapeutic agents for cancer or acquired immune deficiency syndrome."

This petition is signed by 31 members of the committee.

SUNDAY RACING

Ms. Bryden: I have a petition opposing Sunday racing at Greenwood Race Track. It is signed by 98 persons from the Toronto Mennonite United Church.

Mr. Speaker: There are a number of members having private conversations. It is impossible to hear what is being said. I remind the members again that a number are having private conversations; I wish they would refrain.

Ms. Bryden: The petition I am presenting is signed by 98 persons from the Toronto Mennonite United Church, which is opposite Greenwood Race Track on Queen Street East. The petition reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas the Ontario Racing Commission in its hearing into the Ontario Jockey Club application for Sunday racing at Greenwood Race Track has ruled that it does not have the jurisdiction to hear the concerns of residents surrounding the aforesaid racetrack;

"And whereas many residents have shown their concern with the impact of Sunday racing at Greenwood Race Track on their neighbourhood and have indicated their wish to voice that concern;

"We petition that the government amend the Racing Commission Act to ensure that the rights and concerns of residents in the neighbourhood of the racetrack and in the surrounding community be considered and protected by the Ontario Racing Commission in setting racing dates, times and schedules;

"Further, that the legislation provides that the long tradition of no Sunday racing at Greenwood Race Track be maintained."

I support this petition.

REPORT BY COMMITTEE

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Mr. D. R. Cooke from the standing committee on finance and economic affairs presented the committee's interim report as follows:

On July 10, 1986, the standing committee on finance and economic affairs was given its terms of reference by the House, which included the mandate to consider the issue of corporate concentration and takeover activity as it relates to Ontario and to report its recommendations for an appropriate Ontario response to the Legislature by October 31, 1986.

The committee has decided that, given its broad mandate, it would begin by looking at the question of concentration in the financial services sector. To date, the committee has had approximately four weeks of hearings, has heard from numerous witnesses, both from the public and private sectors, and has reviewed the material presented.

The committee has not had sufficient time to hear from all the concerned groups, institutions

and individuals who have expressed a desire to appear before us and requires further study of numerous problems and questions related to concentration in the financial services sector, including the following: (1) ownership restrictions for deposit-taking institutions; (2) integration of the "four pillars" of the financial services; (3) solvency of financial institutions; (4) self-dealing; (5) conflicts of interest; (6) recruitment, appointment and role of directors; (7) industrial-financial commingling; (8) reform of financial services legislation; and (9) Ontario Loan and Trust Corporations Act.

The standing committee on finance and economic affairs is not prepared to make definitive recommendations at this early stage. The committee feels that concentration in the financial services industry is a very important matter that requires additional time. We wish to ensure a comprehensive review of the subject that will satisfy the Legislature, the Treasurer, who initially suggested the committee's terms of reference, and the committee itself.

The committee will be requesting permission to sit in the intersessional period to accommodate further hearings in order that the committee may present its report to the House by early spring of 1987.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Scott moved that the order of precedence for private members' public business be amended as follows: ballot item 29, Mr. Mackenzie in place of ballot item 71, Mr. Ramsay.

Motion agreed to.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES AND RESPONSES TO PETITIONS

Hon. Mr. Scott: I wish to table the answer to questions 299, 339, 374, 381, the interim answers to questions 396, 399 and 400, the response to petition presented to the House, sessional paper 183, the interim response to petition presented to the House, sessional paper 177, in Orders and Notices [see Hansard for Monday, November 3].

Interjections.

Mr. Speaker: Perhaps the members can discuss that at a later time.

ORDERS OF THE DAY

LEGAL AID AMENDMENT ACT

Hon. Mr. Scott moved second reading of Bill 107, An Act to amend the Legal Aid Act.

Mr. Speaker: Are there any opening remarks?

Hon. Mr. Scott: Briefly. When I introduced this bill some time ago, I indicated to the House that its importance was a reflection of the fact that people who cannot afford the services of a lawyer, whether they are involved in a civil or family matter or in a criminal matter, have recourse to the Ontario legal aid plan to protect the rights the law gives to all of us, regardless of our economic circumstances. I made the point that if the plan does not provide full, effective and meaningful access to legal aid services, a substantial and important segment of our population is denied its fundamental and basic rights.

For years, as all honourable members know and as at least the members represented in the New Democratic Party and the Liberal Party know and admit, the legal aid plan has been chronically underfunded. That situation has existed for almost a decade.

The report of a fact-finder appointed by the previous administration, led by the now Leader of the Opposition (Mr. Grossman), demonstrated in 1985, when the report was made, fees paid to lawyers under the plan were in constant dollars less than half the level established when the plan started in 1967.

Not surprisingly in those circumstances, even lawyers dedicated to the operation of the plan, as most of them were, were forced to desert the plan and freedom of choice of counsel became seriously eroded. Some persons, particularly those in shelters for battered women and persons who were, for one reason or another, difficult to serve, were finding it extraordinarily difficult to obtain needed legal services, which are of course the promise of this plan.

From the very moment we assumed office, I made the resolution of this long-standing dispute between the plan and the government of Ontario one of our highest priorities. In December I announced an interim 20 per cent increase in the tariff. This legislation completes the first part of the interim report's requirement to fund the plan fully and appropriately.

The change the bill proposes is a significant one for a number of reasons. Primarily, it represents our part of an agreement with the Law Society of Upper Canada, pursuant to which, for the first time in its history, the legal profession as a whole will begin to contribute to the cost of the legal aid plan itself.

Under the legislation as it now stands, lawyers who actually provide legal aid services are required to reduce their legal fees by 25 per cent

as a professional contribution to legal aid. No financial contribution is made by the substantial majority of the profession, which is either unable to provide, or chooses not to provide, legal aid services.

After considerable discussion with the law society, it has now been established and agreed between the government and the society that the profession as a whole has an obligation to contribute to the cost of legal aid in Ontario. Under the arrangement I have negotiated with the society, the profession as a whole will undertake the responsibility of paying 50 per cent of the administrative costs of the plan, after the deduction of clinic costs.

The obligation will be phased in during the next short period. This is an important recognition by a distinguished profession that it has a financial as well as a moral obligation to support the provision of legal services to all our people in whatever economic circumstance they find themselves. It is an appropriate time to congratulate the law society, which discussed these matters with me and effectively achieved this important and signal agreement, and to congratulate above all the members of the bar who are actually making the financial contribution towards a proportion of the cost of this plan.

I am proud to say it is a model of the co-operation that can exist between a government and a profession in meeting the real and important needs of our less fortunate citizens.

Mr. O'Connor: I welcome this opportunity to provide a few comments in respect of Bill 107, An Act to amend the Legal Aid Act. Very briefly, I noted the remarks of the Attorney General a few minutes ago, wherein he very well and very succinctly set out the problem that has been the increasing and exacerbating difficulty within the legal aid plan over the past six, seven or eight years. That problem is the continual falling behind inflation of the payments under the plan to participating lawyers, which has resulted in many lawyers abandoning the plan, as the Attorney General noted. The number available to serve the public has decreased.

15:10

Not only has the number decreased but, perhaps more important, the relative experience and the quality of those participating have decreased. With the payments decreasing in that period, more and more experienced lawyers have dropped out, leaving the burden of carrying the plan to younger lawyers who might have no alternative but to take on legal aid that was available, not only for the experience but also

because they needed the money, as little as it was.

Mr. Martel: They wanted to eat.

Mr. O'Connor: They wanted to eat, as my friend the member for Sudbury East says.

As the Attorney General has pointed out, the legal aid plan properly administered is a necessary social tool in a western democracy. The plan is now established in most states in the United States and in all provinces of Canada, and it plays a very valuable role in the delivery of legal services to the general public. In Ontario, the plan is administered by the Law Society of Upper Canada, our governing body of lawyers, and it provides legal advice and assistance in an array of legal matters for those who are unable to afford such services on their own.

Legal aid assistance is provided by four categories of lawyers in Ontario, the first group being private lawyers who accept legal aid certificates on a fee-for-service basis. They are the ones I just mentioned who have been decreasing in number rapidly over the past several years.

The second category is duty counsel, a group of lawyers provided to staff the criminal and family court systems in the province. They are there on a daily basis and are available for consultation, advice and representation in court on simple matters, such as adjournments and pleas of guilty in the criminal court system.

For any person who happens to be before the court on any particular day, there is usually no or very little prior consultation between the lawyer and the duty counsel at the time of dealing with the matter. However, that system has largely worked very well, they say, in circumstances of simple cases that can be easily grasped, the facts of which are simple to absorb in a very short period of time, or simply in assisting with adjournments or other routine proceedings before the lower court systems.

The third category of legal aid services has been provided by community legal clinics staffed by full-time lawyers and, on an increasing basis, by paralegal staff; that is, nonlawyers who are trained and supervised by lawyers in the legal aid clinics. We are fortunate in Ontario to have available to our citizens some 53 community legal clinics across the province. This system was developed originally by and was a pet project of a former Attorney General, the Hon. Roy McMurtry. He was keenly interested in this aspect of the delivery system of legal aid, and he saw to it that the legal aid clinic system was nourished and prospered across Ontario.

Within the legal aid clinic system are special clinics that provide services to specific segments of our society, such as natives in some of the northern areas. These clinics deal with a wide range of programs and problems from workers' compensation through unemployment insurance, welfare, pensions, immigration, employment rights, etc. Landlord and tenant matters are a particularly large segment of their work load, especially in the larger cities and in the Toronto area.

The fourth category of lawyers and paralegals who deliver services to the people of Ontario under the legal aid plan is the student legal aid societies, of which there are six across the province associated with universities. They provide legal services and advice through students who are in the law classes at a particular university and generally under the supervision of faculty with that law school.

The system works; it does what it was intended to do initially, which is to provide a quality legal service, generally by and from the private bar in Ontario but through funding and payment by the government. That is, public funds are the source of funding, coupled with—and this has been a primary principle of the legal aid plan—a contribution from the lawyers participating in the plan. That is particularly noteworthy in that it is a concept or principle that the Attorney General, through the amendments he has placed before the House under Bill 107, proposes substantially to alter or amend.

Those amendments, about which I will speak more later, are ones I have considerable concerns and reservations about, as do a significant number of lawyers around this province who have seen fit to contact me individually and through their local bar association. I am of course speaking of the individual levy that is being assessed on all lawyers around the province, regardless of whether they are participants in the legal aid plan and regardless of whether they are even practising law in Ontario. I suggest, and I will argue, that there is a basic unfairness in that kind of approach to taxation.

I will go back to a general description of the legal aid plan for a few moments, because the Attorney General, who is in his seat, is listening intently to every word I say—perhaps he is hanging over the back of his chair, but he is literally hanging on every word I say—since this is very instructional for him, I am sure, as it is for the people of Ontario, to whom we are all speaking when we stand in our places in this House.

Who can get legal aid? Any resident of Ontario can apply for legal aid through the Ontario legal aid plan. Of course, there are requirements to complete financial information forms to determine one's eligibility. The rules and regulations in that regard are quite generous, I suggest, to the point that virtually no citizen of this province needs to go without legal services.

Services may be obtained through the legal aid plan in one of the four methods of distributing its services, as I have just described. Alternatively, if someone is turned down, it is inevitably for one of two reasons. First, one can be turned down if the matter being dealt with is of such insignificance, or of less significance, that a lawyer is really not required, or the consequences of attending in court or the consequences of a failure with regard to the matter being dealt with are insignificant or inconsequential.

The second reason one is turned down, of course, is that it is assessed that the person is well able financially to afford the services of a lawyer and therefore need not avail himself of the public purse.

As I said previously, the act has largely performed the service for which it was intended over the past decade or so, in that in Ontario it annually assists about 460,000 people—at least that was the figure during the past fiscal year—which is a considerable, significant increase over the years since its inception in 1967, when it assisted fewer than 50,000 people in its first year. Thus, the plan has caught on; it has worked to the great benefit of many of our citizens.

Similarly, the funding of the plan has increased quite dramatically over the years. As I recall, in 1967, the original funding was set at approximately \$11 million. Last year, the cost of running the plan was nearly \$70 million. The vast majority of that comes from the Ontario government; it funds the plan, which is operated through the Law Society of Upper Canada.

15:20

It is also funded in part by the Law Foundation of Ontario and, unfortunately to a very small extent, by those who are assessed as being marginal in terms of their ability to pay. There is a category of citizens who may be entitled to a certificate but, because they have some ability to contribute towards their own legal services, will be required, over a period of time following the conclusion of the services provided, to pay back the plan some or all of the cost that was paid to their lawyer on their behalf. I will have more remarks and recommendations to make in that

regard, but unfortunately that amount is very small. Approximately two to three per cent of the total cost of funding the plan comes from contributions of those who are assisted. With some amendments and revamping of the plan, that amount could be increased significantly.

That is a general overview of how the plan operates and who is assisted. As my learned friend—I may still call him learned, because he still holds his QC, in that the title has not been abolished in Ontario. Contrary to the opinion of a number of people out there who have erroneously determined that was a step taken by the government some time in the past, we all know that is simply not correct. That is another example of this government governing. It is wont to make announcements in numbers of areas and lead people to assume that when an announcement has been made some kind of law has been passed. That is not the case. You, Mr. Speaker, myself and the Attorney General are all still Her Majesty's counsel, and we are proud to be so.

Hon. Mr. Scott: Not for long.

Mr. O'Connor: "Not for long," the Attorney General says. We will see about that.

As my friend indicated in his remarks, the amount paid to lawyers participating in the plan has decreased radically over the past years in terms of constant dollars to the point where, prior to the suggested increases being implemented, I understand we were down to about 47 per cent of what a client of average means would be billed by a lawyer he had retained privately. The legal aid plan was paying less than half the going rate, and in those circumstances there was a requirement to bring about pretty substantive changes in the plan to redress that difficulty, which all lawyers were facing.

It is not necessary to advocate the holding of a tag day for lawyers generally, but nevertheless this is, for the sake of the viability of the plan and for the sake of the public, because the plan will not work if lawyers will not participate, and they will not participate if there is not sufficient funding to induce them to do so.

However, I commend the Attorney General for the work involved in the negotiations and for bringing about an agreement with the law society in terms of the amount of increases. Over the staged period that is anticipated, the increases will be approximately 55 per cent over what had been the previous payout levels. That is substantial, it is significant and it is quite to the satisfaction of most of the participating lawyers in the legal aid plan.

Notwithstanding the fact-finder's report that increases should be in the neighbourhood of 111 per cent, I think most lawyers around the province will agree that a 55 per cent increase in several stages is quite adequate and that they are therefore prepared to recommence being involved in the plan, coming back into the plan and providing their services as they had in the past but had dropped out.

In that regard, I can state—I hope without indicating any kind of conflict in this regard—that I had been an active participant in the legal aid plan for some eight or nine years, until approximately three years ago, when I found I was unable to provide services because the amount of contributions by the government was simply not sufficient to cover even the cost of overhead in my office.

Hon. Mr. Scott: I am not practising law. Is the member practising law, earning money on this bill that will increase his profits?

Mr. O'Connor: No. I am not. The Attorney General well knows that. How many legal aid cases did the Attorney General take in the several years prior to his being elected to office? Not very many, I will bet.

Hon. Mr. Scott: I have stopped practising. Is the member going to take money from this bill?

Mr. O'Connor: No. I am not. I stopped practising general law. The Attorney General well knows that.

Hon. Mr. Scott: He has stopped practising private law?

Mr. O'Connor: Yes. I have.

Hon. Mr. Scott: Then maybe he can come to the committee meetings from now on.

Mr. O'Connor: For the sake of the tapes and the cameras that cannot pick up the remarks being thrown across the floor, the Attorney General is indicating that I have not attended the standing committee on administration of justice recently. That is correct.

I was asked if I would substitute myself to our critic on Bill 105, the pay equity bill. The member for Brantford (Mr. Gillies) is replacing me there. I will be glad to resume my seat on the committee as soon as and when we get to our senses and schedule hearings for Bill 42, which is the next order of business. Bill 42 is An Act to regulate the Activities of Paralegal Agents, which is the next order of business for the justice committee. I will be happy to return to that forum.

As I said, I congratulate the Attorney General for the level of increases he has been able to

negotiate with the Law Society of Upper Canada. However, as I indicated previously, one area of serious concern I have is with regard to the proposal to assess each and every lawyer in this province a sum, set at \$175 this year initially, as a contribution towards the 50 per cent cost of operating the plan by the law society.

Hon. Mr. Scott: Which section is that?

Mr. O'Connor: The Attorney General asked me which section that is. It is not a section that is in the bill, but it is an element of the agreement with the Law Society of Upper Canada, the key element to that agreement. He would never have obtained agreement on any of the other concepts that are in the bill—that is, a five per cent contribution by every lawyer involved in providing services and the fee increases of 55 per cent—if it were not for the inclusion of the \$175 assessment by the law society.

That approach is wrong philosophically. It is a bad precedent for this government to be setting in that what it is doing is levying a special tax on a small segment of citizens in this province to assist with the funding and operation of a general government program.

I defy the Attorney General to show us another program of the Ontario government where the same type of approach has been taken. He cannot point to a situation where a small group of taxpayers is being levied and assessed above and over all the rest of us for general government programs. Do we ask the social workers in this province to pay a special tax to fund the day care system? No. We do not.

We cannot even make a parallel with the medical system whereby the doctors will argue that they receive only 90 per cent of the OMA fee schedule in that every doctor is involved in the Ontario health insurance plan.

Here we have a situation where we have 16,000 lawyers in this province, each and every one of whom, whether or not he is practising law and whether or not he uses the legal aid plan, is being assessed and levied a special tax. That is wrong. It is a bad precedent which, if allowed to go unchecked, can be used as a precedent and expanded to other areas of concern and other ministries of this government. The minister should think seriously about that concept and about going ahead with it at this time.

15:30

Mr. Martel: That concept is make the rich pay, is it not?

Mr. O'Connor: I know the minister in reply, argument and answer to that charge I have just

made will argue as he has in the past. I want to read from something he said in a speech to the Queen's University Law School in September 1985, when dealing with this very argument.

He said: "I read the Ottawa Citizen editorial attacking this proposal"—meaning the \$175 levy—"and frankly the editorial amazes me. It said that since doctors do not have to make a contribution to medicare, the legal profession should not be responsible for contributing to legal aid.

"The fallacy in that argument is, of course, the fact that it overlooks the extraordinary degree of autonomy that the legal profession enjoys, certainly in comparison to the medical profession."

From that, I take it the reason the Attorney General is using for levying a special assessment against lawyers is that they enjoy "an extraordinary degree of autonomy" not enjoyed—

Hon. Mr. Scott: Why does the member not read the rest of the speech?

Mr. O'Connor: The minister asks me why I do not read the rest of it. I have read the whole speech. This is the only area where he discusses and defends the \$175 levy.

That is a remarkable statement. It is a remarkable defence of the use of this kind of levy. Is he suggesting that lawyers must pay for their autonomy, that if they do not pay this \$175, they are not entitled to their autonomy as a profession? What kind of proposition is that? Is it that in Ontario, if one wishes to be free of the restraints or constraints of the government, one is going to have to pay it some kind of fee or levy; otherwise, one will not be free to practise law in the manner in which we have been taught in law schools and have been disciplined by the Law Society of Upper Canada?

In other words, the Attorney General is asking us to buy our freedom from the government. If we pay our \$175, we will be free to run the legal aid plan as we see fit. If we do not pay the \$175—and more in subsequent years—we are going to lose our autonomy, as have the doctors, as the government has done with Bill 94 to the final degree with the doctors just recently. Is that the proposition? Is that the argument for levying a tax against an individual group of citizens in this province?

I hope the Attorney General in his reply to us will come up with a better argument for the levy than that. It is a bad precedent and should be eliminated from the concept.

The Attorney General made much in his remarks of the fact that he was able to reach an

agreement with the law society. He commends the law society for co-operation and the way in which they reached that agreement, including the \$175 levy. That may have been so at the time. I was not party to the negotiations and very few people were. I wonder how much of a lever, how much of a threat was made for them to reach agreement with respect to their autonomy.

The real motives of the Attorney General are expressed again in that speech, where he says their autonomy is at stake. If one does not agree, then one is in trouble in that regard. Was that agreement reached as easily as he indicates to us now and as he indicated in his statements when this bill was first introduced?

Although the law society might ultimately have reached agreement in these matters with the Attorney General, the lawyers in general, the guys out there who provide the services and work in the towns, cities and counties of this province, are not at all happy and do not agree with the levy of \$175. I have received a considerable volume of mail, not only from individual lawyers, but from their representative groups and organizations, their bar associations from around the province. I will not take the time to read much of that.

However, I do want to read from one letter I received. It is from the County of York Law Association, which the Attorney General recognizes as the largest in the province, representing in excess of 4,000 members—I believe there are 4,500 lawyers now. They write quite strongly on this point. The letter is dated October 6, 1986, and is signed by Brian Brock, who is the chairman of the legal aid committee.

Hon. Mr. Scott: Will the honourable member table the letter?

Mr. O'Connor: I will be glad to when I finish reading it. May I read it first? He says in part:

"I should tell you at the outset that this association opposed the law society's levy on individual practitioners and wrote to the Treasurer accordingly. It did not make sense to us that those who provide a community service should be singled out to pay a substantial portion of its costs. We did agree that members of the profession should continue to provide the contribution that had been made over the years, but not in this form. As a result of the agreement between the government and the law society, this is probably old history."

The reference to the contribution that had been made over the years was, of course, to the contribution made by the individual practitioner who was involved in the plan and who agreed to

waive some 25 per cent of his fee on each bill. It is, I suggest, something about which there was not a lot of argument. In my circle of legal friends, there was never much discussion that this was unfair. The discussion always revolved around the level of payment. Of course, one always knew one would get 25 per cent off, but 75 per cent of a very small amount was just not satisfactory.

I think lawyers involved in the plan did not particularly object to that kind of concept. They recognized that there were some distinct advantages to the public in the delivery of services, but that there were also some distinct advantages to the legal profession. In terms of accounts receivable and payment, it was regular, assured—that sort of thing—and the requirement for a contribution was not a big problem or a big hangup. However, it now appears that the revamped way of going about things certainly is. I would be glad to provide my friend the Attorney General with a copy of that letter in due course.

As I say, I have received a number of letters and briefs from around the province in that regard. I would like to refer to something to which I made reference before, and that is the historically very low contribution of legal aid applicants towards the cost of the operation of the plan. I was particularly impressed and taken by a brief prepared and provided to me by the Canadian Bar Association—Ontario, entitled, *Access to Justice: An Inquiry into Legal Aid in Ontario*, which it has sent me. I am sure the Attorney General has received a copy of it in the past month or so and has perhaps had a chance to peruse it.

They make the case, and I think they make it very well, for a system whereby a greater contribution would be made by those who are assisted by the plan. I will read briefly from the report:

"We recommend a periodic review of an applicant's financial situation to determine whether repayment of legal aid costs is possible; i.e., a repayment schedule appropriate to ability to pay should begin when a person is able to repay all or part of legal aid costs. Interest charges should only begin at the time that the repayment obligation begins. The repayment schedule may be modified when circumstances warrant." That is the key phrase within this report. "The obligation should be forgiven if there is still no ability to repay 10 years after the legal aid account is settled.

"Repayment requirement compares to student loan assistance repayment requirement, except

that students must repay costs irrespective of financial ability. We do not believe that a change to a repay-if-you-can philosophy will discourage those with a real need for legal aid from applying. It places legal aid clients more on a par with paying clients in deciding whether to proceed with a legal matter. As well, litigation assisted by legal aid is less likely to be unreasonably prolonged by a client with a noncontributory certificate if the associated costs may eventually have to be repaid to the plan. It also places legal aid clients more on a par with those other legal aid clients who are required to pay legal aid costs right from the outset."

The point being made is that under the present system an assessment is made of an applicant at a single point in time. When he first applies for a legal aid certificate, his financial ability to pay is assessed, and thereafter not again. He is either awarded a certificate or not, or awarded a certificate whereby he must repay a part of it at that one time. There is no provision for ongoing assessment or any further assessment at other points to determine whether the ability to pay may have changed in the interim. Quite frankly, many of the applicants to legal aid are about to go into litigation which may materially affect their financial circumstances.

15:40

Granted, the majority of legal aid applicants are with respect to criminal matters and they would not likely be acquiring any funding out of their involvement in a criminal charge before the courts; but somebody who was represented in a matrimonial matter, for instance, may acquire substantial income or assets as a result of legal aid assisting him or her and the efforts of his or her lawyer.

It seems to make sense that, at that time or several regular points during the process, a further assessment should be made to see if some contribution could be made by that applicant. That recommendation by the Canadian Bar Association—Ontario has particular merit and perhaps should be looked at quite closely by the Attorney General and his officials with a view to giving it some implementation in the future.

There is one other matter I want to refer to with regard to the legal aid bill. This has caused some concern to myself and to some lawyers who have been in communication with me. It is with regard to the manner in which the agreement that has been reached with the law society is being implemented. I use those words advisedly and would advise the House, if members are not aware, the agreement is already in effect that the

\$175 levy has been assessed to every lawyer in this province, over the objections of some lawyers who felt that because the plan is not yet in effect they need not be required to pay such a levy. Similarly, the increase in fees is being paid to lawyers retroactive to July 1, 1986. The bill provides for retroactivity to July 1.

The concern I have is that, notwithstanding the bill having to pass the three stages of reading in this House, so it is not yet the law; and notwithstanding the somewhat arrogant presumption of the government that it will become the law, it still is not yet the law; I wonder how the provisions of a law that has not been passed—

Hon. Mr. Scott: They have not paid a cent.

Mr. O'Connor: But they are going to pay a cent.

Hon. Mr. Scott: Only after the law is passed.

Mr. O'Connor: Then explain to me how the \$175 assessment has been levied to every lawyer in this province.

Hon. Mr. Scott: That is up to the law society. It can levy its members any time it wants. I cannot stop it.

Mr. O'Connor: It is making this levy specifically—in reply to a question from the Attorney General, who has interrupted me again—I point out the assessment has been made by the law society specifically with reference to the new legal aid amendments. If you were to contact the law society, it would be quite prepared to tell you the Attorney General is correct. Under subsection 62(13) of the Law Society Act, the law society has a general right to levy its members whatever fees and so forth it deems appropriate from time to time. The Attorney General is quite correct in saying it is up to the law society.

However, let us face facts: it is not up to them. But for his and their agreement, and the fact he has told them this is going to go through and is going to be retroactive, "Do not worry about it, fellas," they would not be assessing this levy against lawyers. There is no other reason to be nicking us all for \$175 but for the fact that they know this bill is going to go through. They are working on that assumption.

Hon. Mr. Scott: I really worry for the member. It is tough, \$175 once.

Mr. O'Connor: I am not suggesting it is going to break any lawyer in this province. I am suggesting that it is setting a precedent of arrogance in this government in assuming this plan is going into effect.

Hon. Mr. Scott: The member is in a conflict of interest. He should not vote on this. He will be profiting from this bill.

Interjections.

Mr. Speaker: Order. There will be questions and comments after, two minutes for all members.

Mr. O'Connor: Again, there is a lot of good in this bill. It will refund the legal aid plan, which had been in dire straits. It will be of great assistance to the the members of the public in this province who require legal aid services because these will be available from some of the better and more experienced lawyers.

I have expressed concerns with regard to the manner in which it is proposed to fund it. As the Attorney General points out, the proposed funding is not an element of this bill. I can tell the Attorney General, in response to his three or four questions in this regard, I will be voting for and supporting this bill, as will the other members of our party. That section is not part of the bill. I chastise the Attorney General for the fact that this was part of his agreement and was the leverage he used to get the other elements of the bill. There is not much we can do about that. I suppose we must take that issue up directly with the Law Society of Upper Canada.

I conclude my remarks with that and welcome any questions or comments other members might have.

Ms. Hart: Perhaps my colleague the member for Oakville (Mr. O'Connor) has not noticed that the profession has a large number of women these days. Some of them might be a little distressed to hear the member talking about the guys practising law. I bring this to his attention because those I have spoken to, some of whom I confess are female, have said to me that \$175 does not seem very much to them considering how good the profession has been to them and considering the long history of community spirit of the legal profession.

Mr. Breagh: In the course of earlier exchanges across the floor, the Attorney General, perhaps somewhat in jest, raised what he perceived to be a conflict of interest. The member for Oakville is a lawyer and I believe now is practising part-time as a crown attorney or assistant crown attorney or in some capacity of that nature. I would like the member to address at the conclusion of these remarks whether he considers that to be a serious conflict of interest.

It has always struck me as rather odd that some of us are forced to give up our professions and

attend to our duties here on a full-time basis. We are precluded from holding an outside job by the nature of the work we do. Others seem to manage something that places them at a bit of an advantage, in that they can continue their profession while we cannot. Of course, our conflict-of-interest legislation is virtually nonexistent.

I would like the member to address the very sticky problem as to whether, as a practising lawyer in some capacity, he has a conflict of interest in the passage of this legislation by speaking to it and voting on it. I would like to hear his learned comments on what I perceive to be a conflict of interest.

Mr. O'Connor: May I first comment to the member for York East (Ms. Hart) that I may have slipped in using the term "guys." If I did so, it was inadvertent. I apologize if I offended her or the women lawyers around the province in any way. I attempted on a number of occasions to use "his and her." I ran out of steam with regard to the continual reference to "his and her." I apologize if anyone was offended.

With regard to the \$175, it is not the amount of money, as I think I explained. It is the precedent that is being set of taxing a small number of people with respect to a general government program. It has not been done before and sets a dangerous precedent. It may even be unconstitutional to do it in that fashion. We do not do it to any other segment or group of taxpayers in the province and I do not think we should do it here.

With regard to the remarks of the member for Oshawa (Mr. Breagh), I suggest there is absolutely no conflict whatsoever. I do not avail myself of the legal aid plan. I do not practise private law in the province. I am the federal drug prosecutor in the judicial district of Halton for federal government statutes only. I was appointed a crown attorney for provincial purposes, but immediately upon my election I discontinued any activity whatsoever in that regard, feeling that as a critic of the Attorney General, I would have a little difficulty in being his servant on the one hand and criticizing him on the other hand. I felt there might have been a conflict there, but I have determined that my activity in that other area is quite within the rules of conflict of interest.

My friend complains that he is unable to provide services. I suggest that if he does not have any marketable skills, there is nothing I can do about that. That is simply unfortunate for him.

15:50

Ms. Gigantes: It has been an interesting little exchange with respect to matters not directly

related to the bill. With your permission, Mr. Speaker, I will continue it for a moment.

I suggest that the mechanism our fair Attorney General has set up for the financing of the future of the legal aid society—it was a legal aid plan, which is what we are dealing with in this legislation, Bill 107—is a methodology which, if we took a good close look at it, would quite conceivably put him in a conflict-of-interest situation. Let me explain my reasoning.

As we all know well, our Attorney General pursued a very well known, well-established and profitable legal practice before his election to this chamber. Were he to return to that practice at any point in the near future—and he has said publicly that he intends staying in politics for a period of about five years, which may be too long for the public of Ontario. Leaving that aside, were he to return to practice at the same level of income from his legal practice, he would be paying only \$175 as a lawyer to contribute to the legal aid plan.

I am not a lawyer, so it does not make much difference to me except in principle. While I am sure my friend the member for Oakville was a fine lawyer, I doubt he had reached the stage of eminence and pay for his services that our Attorney General had before he entered politics. That being the case, were the member for Oakville to return to law at the same level at which he left it, he would have to pay \$175. Let me draw to members' attention that one gentleman, earning many times what the other gentleman earns, would be paying a lesser proportion of his income.

Therefore, for the Attorney General to be voting on this bill, if there is any question of his returning to the legal profession from which he came when he joined us here, might very well be questioned because he is proposing the mechanism. We are simply giving our advice and support, albeit reluctantly because of the nature of the mechanism he has devised; but he is the one who is putting forward this unjust mechanism.

Legal aid lawyers, such as the member for York East, may welcome this plan as an alleviation of the problems they have encountered in trying to live on legal aid work over the past several years. It will provide them some ability to continue to doing legal aid. Nevertheless, if one took a vote among the lawyers who are members of the Law Society of Upper Canada, I doubt that they would truly approve this mechanism.

That was not done. The Attorney General, with his normal and accustomed gentleness of manner, met with the leaders of the law society and cut a little deal. The deal is better than what the lawyers had before; so the lawyers are generally muted in their comments. The ones who are practising legal aid, and have over the past few years—in diminishing numbers, as we all know—welcome this legislation.

To move to the content of the bill, I should point out that this legislation, of which the Attorney General is so proud, sure has taken a long time to come. We had a fact-finder's report. Correct me if I am wrong—I am sure I will be corrected—but it seems to me that was more than a year ago. I did not look up the exact date; it is certainly close to a year in any case.

The report indicated that legal aid lawyers were getting 112 per cent less than they should be getting if their fees for legal aid were keeping up with the level of fees they were getting when the plan was first introduced and, indeed, if they were to get fees that represented fees that would be available if they were charging clients of modest means at a modest level.

All that being true, my friend the member for Oakville has to acknowledge that the way the legal aid plan has in a sense wasted away in the past several years is a mark on the record of the Progressive Conservative Party of Ontario. I think it is near criminal, if I can put it that way in this House, that this situation was allowed to happen. It meant that people who wanted to provide service for residents of Ontario who needed service could not afford to provide that service, and that is a terrible thing.

Let us look at how the plan was financed up to and into 1985, when the Attorney General who is now presenting the bill became responsible for the legal aid plan. Most of us think of the plan as the government providing moneys to lawyers who are chosen by clients in need, but as my friend the member for Oakville has pointed out, that is only a portion of what happens through the legal aid plan of Ontario. There are also legal aid clinics and student law society clinics and their administrative costs.

Let us look at the portion of the \$70 million that was spent in 1985 on the legal aid plan, clinics and all included, and separate out what would normally be thought of as the lawyers' part of that. I am talking about services of lawyers who act on legal aid certificates and about the duty counsel services that are provided to clients in courts in Ontario. Most of those services actually come from duty counsel. If we count just

the number of services noted in the reports of the Law Society of Upper Canada, we get 270,000 duty counsel services provided in 1985 and 87,500 lawyers' services provided through legal aid certificates.

The cost to the plan of those two types of service was \$41.2 million in a legal aid budget of \$70 million. It is very important to note that last year the federal government kicked in \$18 million of the cost of our legal aid plan in Ontario. Furthermore, the Law Foundation of Ontario, through interest on accounts held in trust by lawyers in Ontario and so on, provided another \$7.3 million. According to the fact-finder, the lawyers providing legal aid services made a contribution through service that was worth about \$46 million. If we look at all those contributions to the plan, we can almost say the plan was making a profit for the province.

That is the kind of system the Conservatives left behind and this Attorney General allowed to operate for almost a full year before getting legislation in front of this House to provide some kind of remedy for the situation.

In 1986, the estimates are that the modified financing scheme represented in Bill 107 will run in this way: The law society will contribute \$3.1 million, give or take, through the levy of \$175 per lawyer on all members of the law society. The lawyers who are acting on legal aid certificates will be asked to contribute, as it were, a five per cent reduction in their fees, which will be worth about another \$3.1 million. That is a total contribution of about \$6.2 million through those mechanisms by the lawyers of Ontario. If we assume the feds kick in another \$18 million and the law foundation, as it did in 1985, kicks in more than \$7 million, we are talking about contributions of \$31 million beyond the provincial government contribution.

16:00

Given that in 1985 the cost of lawyers acting on certificates and duty counsel services was \$41.2 million, we will suppose that in 1986 the equivalent cost will be \$45 million. That means if we were to take the accounts I just enumerated and the \$45 million in costs, look at them in proportion and add up those contributions, we would be looking at a contribution from the province of about \$14 million. If we took the subtotal I just enumerated, \$31 million in contributions, and subtracted it from my estimate of \$45 million, which may be a little high, then the Attorney General, in all his kindness, would be kicking in about \$14 million of provincial money.

I know the Attorney General is going to say the \$18 million that comes from the feds does not come just for lawyers' services or duty counsel services, that there are administrative costs—which of course there are—and that there are the costs of clinic services and student law society services. All that is true, but sometimes it is wearying to think of all the speeches we have heard about the fine contribution of the province to providing a legal aid system in Ontario. When we get right down to it, we are talking about a lot of other people, besides the Attorney General and the Treasurer, who make sure there are contributions going into this plan.

When we look at the legal aid system we have in Ontario—and we ought to do that soon in an overall sense—we have to bear that in mind. This system is not totally the result of a generous spirit on the part of our government leadership. It never has been. Other groups are making very significant contributions.

I think the member for Oakville is absolutely correct in objecting to the kind of arrangement that has been made for contributions by lawyers across this province. One would think we had never heard of a progressive income tax. If we need to raise money in this society, we know a good way to do it. It is to find out how much income people get, and the more they get, the more, we feel, they can pay in income tax. It is called progressive income tax, and the notion has been around for decade after decade.

It galls me that in one way or another, whether one looks at sales taxes, property taxes, taxes on lawyers or whatever, government seems to delight in avoiding use of the progressive income tax system. This is an example of it which does set a precedent in program terms. I do not like it, and I think the member for Oakville is correct in objecting to it. I would like to see us be able to change that in the years to come. At this point, obviously we are going to support Bill 107. The Attorney General laughs. Why does he laugh? Does he think it is funny?

Hon. Mr. Scott: The member's party does not like the bill but is going to vote in favour of it. It is not mentioned in the accord.

Ms. Gigantes: We do not like it, but that is what we are going to get from the Attorney General. We want to see money go to legal aid lawyers. It is a very important thing to get done.

If the Attorney General wants to do it this way and has his deal all worked out with the law society, then what is the use of fussing and fuming? We will tell him what we think, but we are not going to keep him here day after day and

insist he go back and rework things with the law society. It ain't worth it.

We want to see those lawyers get their money, and we want to see them able to continue doing work they care about, work that is a service to the total provincial community. It is a very important bill, and if we are going to do it, I suggest we do it quickly.

I have appreciated the chance to make a few comments on the bill, and I thank the members for their attention.

Hon. Mr. Scott: I thank the two members who made major contributions to this debate. I suppose it is something we must bear that the opposition parties will perform their statutory duty and say they do not like the bill and then, of course, will turn around and vote for it. It is too bad they act out even on a matter as minor as this, but I understand the pejoratives that are required to keep them in office a day or two longer. If they are going to oppose the bill, they should vote against it. If they are not going to oppose it, they should presumably not speak against it.

Ms. Gigantes: We will speak if we wish to, and we do not need the minister's permission.

Hon. Mr. Scott: I know the honourable member will.

Miss Stephenson: We also do not need his lecture.

Hon. Mr. Scott: That we know.

The important thing to notice about this bill is that it preserves the integrity of the legal aid plan. The major feature of our legal aid plan in Ontario that has made it the best in the world is that it is substantially funded by government and the public and yet maintains the measure of independent professional control that is required when legal rights, which often mean rights against government, are being dealt with.

The contribution by the law society to the administrative costs of the plan is not referred to in the bill, and the law society does not have to exact it from the bar if it chooses not to, but it seems to me it ensures that for some time to come the tension between the payment of substantial funds and the preservation of independence of control will remain a positive one. I think the members who are happily going to vote for the bill will look back on this as a moment when, for the time being, the integrity and quality of the plan was preserved.

My friend the member for Oakville referred quite appropriately to the signal contribution that was made in the development of legal aid by the Honourable Roy McMurtry, whose concern to

develop a clinic system in Ontario is well known to all members of the bar. The tragedy of Mr. McMurtry's life is that he could never get his cabinet colleagues to support progressive measures such as family law reform, the clinic movement and the legal aid plan—

Mr. McClellan: Or equal pay in the private sector.

Hon. Mr. Scott: —or equal pay—measures that were so close to his vision of what Ontario society should represent. Of course, having developed the clinic system, what happened was that Mr. McMurtry found that the colleagues around him would not support him. As the member for Oakville has pointed out and as the member for Ottawa Centre (Ms. Gigantes) has said, this is why over 15 years, structural damage was done to this important plan by the then government of Ontario constantly underfunding it.

Legal aid is not the biggest plan the government has. The same thing was happening in health care, in education and in welfare. There was a decade of constant underfunding. That can be done for a year or two or three, but when it is done for a decade and longer, structural damage is done. One of the things that gives me great pleasure in being associated with our Treasurer is that while we cannot undo overnight the damage that was done in a decade, his budget made a significant start. This bill, which draws the support of the New Democratic and Conservative parties, makes a start and allows us to begin to repair the structural damage which, as I think the member for Oakville implied, was about to destroy the quality of this plan.

16:10

It was always easier in the government of Ontario to pave a stretch of highway, to build an Ontario Place, to advertise on television, to do something glitzy. It was always unfashionable to provide fundamental structural funding to the systems, and the members opposite know it better than anybody.

Miss Stephenson: On a point of order, Mr. Speaker: It would be appropriate if the honourable member were to be accurate in his recollection of at least the last 10 years of the previous government. Those of us who were not here before 1975 might have had some problems there, but if the member would like to know what it was like to struggle without the windfall he has this year in order to maintain the services, then he needs to have a history lesson, not a lesson in the kind of stuff he said.

The Acting Speaker (Mr. Morin): Order, please. I would remind the member for York Mills that this is not a point of order.

Hon. Mr. Scott: I was not here until 1985; so I missed those years to which the member for York Mills (Miss Stephenson) refers. However, I began to subscribe to Hansard about 1978 and I read the debates. I read the honourable member speaking in those debates and I read the debates about the underfunding of these institutions.

Of course, reading them year after year, I said, "I want to be there," and so did my colleagues who are new to the House. We wanted to be here to change that. In legal aid we have started that change, and in other systems we have started this change. I invite those Conservatives in the House today to join us, as a small reparation for the past, in supporting bills of this type that will begin to repair those structures.

Motion agreed to.

Bill ordered for third reading.

COMPENSATION FOR VICTIMS OF CRIME AMENDMENT ACT

Hon. Mr. Scott moved second reading of Bill 12, An Act to amend the Compensation for Victims of Crime Act.

Hon. Mr. Scott: This is another effort by this government to repair damaged structures created by constant overfunding under a decade. As the members will know—

Mr. Ashe: Overfunding?

Hon. Mr. Scott: Underfunding.

Mr. Ashe: I think the record will show "overfunding."

Hon. Mr. Scott: If the record shows "overfunding," no one could be more mistaken than I, because the Criminal Injuries Compensation Board is one of the most classic examples, though not large, of chronic underfunding that we have had in this province for a decade.

The tariffs of awards that were fixed when this act was passed more than a decade ago were fixed in the statute, and they are funds that are paid out upon proof of damage by the Criminal Injuries Compensation Board to people who are injured by criminal conduct. Those quantum amounts were fixed in the statute and never changed. If there was ever underfunding, it is represented in this bill.

This bill, while it deals with some procedural matters that are of importance to the board and that we are happy to put before the House, is an effort to improve the level of compensation for

victims of crime in Ontario, a move that everybody recognizes to be long overdue.

I know there will be some members who will think—I expect to hear from them—that we have not advanced quickly enough, that the levels are not as high as they should be in 1986. Indeed, I expect the member for Oakville (Mr. O'Connor), a Conservative, believe it or not, to tell us these amounts are not high enough. I say again that it is not possible to repair in one year the structural damage that was done over a decade when glitzy projects alone were the order of the day, but we are taking a serious step forward here. There will be more to come. Our government is committed to this kind of review. I am happy to ask honourable members to support this legislation.

Mr. O'Connor: I am happy to have the opportunity to participate in this debate on Bill 12, An Act to amend the Compensation for Victims of Crime Act, and to refute some of the comments of the learned Attorney General (Mr. Scott), who attempted to provide to the House the speech he thought I might be prepared to make on this occasion.

In contradiction of what he indicated I might be saying, I am happy to say that no, I will not be arguing about the levels of compensation that are proposed in the amendments. The levels are long overdue. The Attorney General is quite correct in saying the Compensation for Victims of Crime Act has been underfunded for a number of years and it is time we provided additional funding of the level indicated in the bill.

I well understand the constraints the Attorney General was under with respect to the amounts he was able to arrive at. They are substantial. Our hope in this regard is that they will continue in the future to be assessed and increased on a regular basis.

Awards to those who have been injured or harmed in the course of a violent crime or any crime, particularly violent crimes, have been increased. The awards that can be made by the board to successful applicants have been increased from \$15,000 to \$25,000 by way of one lump sum and from \$500 to \$1,000 per month in the event that an applicant is awarded monthly or periodic payments. Further, the maximum awards for one occurrence are increased from \$100,000 to \$150,000 by way of a lump sum payment and from a total of \$175,000 to a total of \$250,000 for periodic payments in circumstances where a number of people involved in one incident are entitled to compensation as a result of a finding by the board.

As my friend indicates, there are other technical matters that are carried out in the bill at the request primarily of the board, which made representations to the Attorney General in this regard. We will be supporting this bill. As I indicated, the amounts are substantial, they are welcome and they are overdue. This act represents an attempt by this government on behalf of the people of Ontario to assume some of the responsibility for acts of violent crime in our society.

Prior to the passage of this legislation, if one were injured or harmed, particularly harmed economically, as a result of a criminal activity, that person was left to his own recourse to recoup from the perpetrator of the crime any loss he might have suffered. As we know, most people involved in crime are not particularly wealthy people and, particularly if they happened to be lodged at Her Majesty's pleasure for a time and were without any income to compensate their victims, that process was fruitless, inadequate and often led nowhere.

Thus, the passing of a statute such as this is an attempt by all of us through our government to take some responsibility for acts of crime in the community. I think we should recognize that principle and continue to do so in the future.

However, in looking at some of the statistics, some of the figures involved in this area, it is somewhat disturbing to look at the extent to which we have become involved in accepting the joint responsibility of society in this regard. I look at the figures produced by the board in its annual report for the fiscal year ending March 1985, which were the latest figures available. They indicate there were approximately 50,000 victims of violent crime in Ontario over the course of the year prior to March 1985. Approximately only 2,100 of the 50,000 made application to the board for some kind of compensation. Of the 2,100, only about 1,500 or a little fewer received any kind of an award.

16:20

Given those figures of obviously less than 1,500 of the total 50,000 people involved in violent crimes, we are compensating very few of those who do become victims of crimes in the streets and other types of crime. That number must be improved; it must be increased.

I cannot believe that the balance of 48,500 people who were affected by crime were able to gain compensation from the perpetrators of those crimes or redress through other measures and other means. I do not believe that was the case. I suspect the vast majority, if not all, of those

people are left to suffer the financial circumstances and consequences on their own.

It may be necessary in part to undertake a public relations and information program to better advise people of their rights to make application to the board for compensation when a crime has been perpetrated against them. It may be required that the statute be amended in the coming years to make it more and better available to the average citizen. It is obvious from the figures I quoted that many victims of crime are not being compensated through the system of this act.

There is one other area which causes some concern. The Attorney General attempted to pre-empt, to anticipate my remarks. He was a bit off the mark. There has been an argument made—and I made it myself very briefly when the bill was introduced in reply to the statement by the Attorney General at that time—that although the act attempts to assist the person who is directly involved and has been injured as a result of the crime, it stops there.

We should be progressing to the point where we recognize that the victim of a violent crime may be not only the person who was shot or stabbed or somehow injured and thereafter deprived of his rights and abilities to earn an income for a period of time or whatever. It should be understood that as a result of one violent act, many other people may also become victims of that crime. I refer, of course, to the spouses, the children and close relatives of the victim of the crime.

If a crime is perpetrated against a breadwinner of a family that includes a spouse and small kids, they are going to suffer equally for the loss of that person. They will not only lose his income, but they are going to suffer traumatically by way of emotional upset and distress for a considerable period of time, perhaps not to the extent and degree that the direct victim will suffer but certainly to some extent.

That principle has been recognized in other areas of our law. For instance, the Family Law Act, previously called the Family Law Reform Act, recognizes that if a person is injured in the course of a negligence accident, and this applies to motor vehicle accidents in particular, and as a result of that injury his family suffers emotional distress, out-of-pocket expenses and a loss of income to the family, they equally have a claim against the perpetrator of that particular circumstance. In the case of a motor vehicle accident, it would be the person who is negligent in the causing of that accident.

That is a private matter, of course, but the statute, which is a statute of this Legislature, recognizes the principle that other members of a family can be affected by the actions, in the case of a negligence action, of the negligent driver and, I am suggesting, in the case of a violent crime, of the perpetrator of the crime.

That argument has been made to the Attorney General. As I say, I raised it briefly when the bill was introduced for first reading. He pushed it aside with the comment that the costs involved would be exorbitant. We are spending currently approximately \$4 million a year to fund this act. The increases anticipated by this bill will enlarge that amount, but \$4 million for nearly nine million people in Ontario, 50,000 of whom are affected by a violent crime every year, is not a large amount of money.

As my friend the member who was formerly Treasurer of this province pointed out in the course of the debate recently, this year the government is benefiting from a windfall income of approximately \$3 billion in excess of what was anticipated would be needed for the government's programs as set out in its speech from the throne. This government has flexibility and funding available to fund some of the areas that are in particular need.

Of the \$320 each of us pays through taxes annually to fund the criminal justice system—that is all that each of us pays—32 cents or 0.1 per cent goes towards compensating victims of crime. That is a pretty small percentage and a pretty small amount, only 32 cents per head in this province to assist those of us who are unfortunate enough to have become victims of a violent crime, almost inevitably in all cases through no fault, act or wish of ours. It is nearly always the case of a circumstance. We happen to be in the wrong place at the wrong time. We happen to be in the jug-milk store when a man comes in with a gun and attempts to rob it or does rob it. It is that kind of thing.

We have recognized the principle of all of us as taxpayers bearing some responsibility for the act of such a criminal. Why then do we stop at 32 cents a head? It hardly makes sense. If we are going to bear our responsibility in this regard, let us do it responsibly and properly. Let us fund the thing in such a way that people who are injured are adequately compensated and those who are effectively injured through the crime are also covered, not just the single person who happens to be there at the time.

I do not want to speak too long on this matter, but I do want to commend the people who have

communicated with me and written to me about this matter, expressing their support for the bill and their support for the concept of funding persons other than those who are directly injured. I want to read just one which I think was particularly well done by the Catholic Women's League of Canada.

In its resolutions brief for last year, this group saw fit to include, among approximately half a dozen resolutions on matters of social concern, a resolution concerning compensation for victims of crime. I commend them on that. Without reading the entire resolution, because the preambles are quite lengthy, they recommend the increase of lump sums and periodic sums well beyond those now existing. As I said before, I also commend the Attorney General for the increases, which are substantive and which are welcome.

Those are the remarks I wanted to make. I hope the Attorney General will seriously consider expanding this bill, not in its monetary amounts this year—we have done well so far—but in the numbers and categories of people who will be covered in the future. I can advise him I will be supporting this bill on second reading as will the members of my party.

16:30

Ms. Gigantes: I would like to make a few comments, which are very much along the lines of those that have been made by the member for Oakville. The improvement in payments available to victims of crime under Bill 12 is good. It is good that there is any improvement at all. The ability of victims of crime to make a petition to have public assistance for having been victims of crime was very limited in the past; it is improved under this bill.

Questions have been raised about aspects of the bill, in particular the ability of the commission to hold in camera sessions and the requirement that victims co-operate with the representatives of the justice system after the commission of a crime. Those two items have been raised by the Canadian Bar Association—Ontario, which has concerns about the legislation. I would like the Attorney General to comment on them. They involve section 1 and subsection 3(1). I would appreciate his comments on these two sections and his understanding of the concerns of the bar association's Ontario branch. I also understand the minister may wish to move an amendment to subsection 5(1). Perhaps he will explain that to us.

We are prepared to support the bill. We believe it to be an improvement, and we hope the system will improve yet again, and quickly.

I will also take this opportunity to ask the Attorney General to take a look at the private member's bill standing in my name, Bill 143, the Profits from Crime Act, which if it were to be brought forward by the government might have the benefit of providing funding. The minister is always so interested in finding funding for programs for which he has responsibility. It might help find funding, not only for victims of crime but also for the relatives, friends and spouses of victims of crime. I should not say "friend"; I should say a person directly connected with a victim of crime in a family way.

It is about time we undertook some legislative reform in Ontario so that people such as Cecil Kirby do not make more money from the public of Ontario without our first ensuring that people who have suffered as a result of his crimes have some claim on the profits of the book he published. The same would hold true in cases where movie rights, television rights or broadcast rights to a story of an admitted or convicted criminal were being sold in Ontario.

Hon. Mr. Scott: On the subject of Cecil Kirby, raised by the honourable member who spoke last, she and I have exchanged correspondence—

Ms. Gigantes: I have not got the minister's letter back.

Hon. Mr. Scott: I have signed it. It will be on her desk soon. It is about this question and arises out of the fact that the late Mr. Renwick introduced a bill designed to deprive criminals of all or a portion of the benefits of a publication sold in Ontario relating to a crime or an admitted illegal act. That legislation is interesting and well intentioned and exists in a number of American states.

After Mr. Renwick's bill was introduced, the matter was referred by the previous government to the Uniform Law Conference of Canada. Since hearing from the member, I have had occasion to write to them to invite them to move expeditiously to a resolution of the matter. The reason is that, leaving aside for the time being questions that may arise in connection with such legislation that have to do with civil liberties and other matters, it is undoubted that the most effective legislation in this field is either national legislation or legislation that is mirrored in each province. If one province alone enacts legislation, it will not be difficult to make a successful effort to circumvent its effect. At the member's behest, I am looking into the matter and encouraging the Uniform Law Conference of

Canada to make a report on this matter as quickly as it can.

Now let me deal with the two matters that the member for Ottawa Centre raised, in particular subsection 17(2) of the present act, which deals with the power granted to the board to refuse to make an order for compensation where the applicant either has failed to report the offence or has refused reasonable co-operation with the police.

The difficulty with this provision, as I know the honourable member recognizes, is that it is all or nothing. If, in the opinion of the board, one has failed to co-operate in the way described, even though the failure is regarded in the scheme of things as a relatively modest one and is perhaps justified in part by the circumstances, one is deprived of any award at all. The gradations with which tribunals are familiar in matters of this type are simply ignored or are regarded as legally impermissible.

We have preserved the obligation to report crime and to co-operate with the police, but we have allowed the tribunal to deal with that exceptional circumstance by reducing rather than denying the award. We are removing the all-or-nothing feature of the present legislation.

I understand the honourable member's request to be that we should give consideration to removing any requirement of co-operation altogether. It is an interesting proposal, but it is not a proposal that the government is prepared to adopt at the moment. It would be very difficult to understand in all cases, although perhaps very easy to understand in some, why a failure to co-operate with the police that might cause no embarrassment, difficulty or inconvenience should at the same time be accompanied by a successful application to a fund established by the taxpayers for compensation as a result of the crime.

The honourable member makes an excellent point in saying there will undoubtedly be cases, particularly sexual assault cases perhaps, where the failure to co-operate will be comprehensible, understandable and perhaps perfectly natural. Under the proposed amendment, the board has the capacity to take into account the fact that people in that circumstance should not be significantly penalized, or perhaps should not be penalized at all; but there may be cases where the failure to co-operate should lead to a reduction in the award.

With respect to in camera sessions, it is worth noting, as I am sure the honourable member has done, that sections 12 and 13 of the present act

permit confidentiality in particularly sensitive cases. The proposal that this bill represents is an amendment to section 12 to permit in camera hearings for the victims of child abuse and to section 13 to authorize the board to prohibit the publication of any of its proceedings that may tend to identify the victim until the final disposition of the trial of the person who caused the injury or death.

We believe there should be no impediment to a victim of child abuse, for example, applying to the board for compensation. Indeed, a case can be made that victims of child abuse are the victims who should particularly be within the purview of the board. They are children. We hope their lives will be relatively long. The consequences or the sequelae of the injury may be most pronounced at a most critical time in their lives.

16:40

Ms. Gigantes: On a point of order, Mr. Speaker: I hope this is a point of order. I am sure you will tell me. Did I hear the Attorney General refer to the amendment of section 13 of the act? I cannot find any reference to an amendment to section 13; so I cannot quite follow what he is explaining to us.

Hon. Mr. Scott: The reference is actually to section 1 of the bill, which refers to clause 12(a). I thank the honourable member for that important correction, for which I am grateful.

We believe there should be no impediment involved in applying for compensation. There should be no downside. The downside is often caused by publicity. Not only should there be no potential downside to the applicant-victim, but also there should be no potential downside to the accused person, whose trial may not have been conducted or completed or the appeal from it processed.

The board is very anxious, and I share this anxiety, to encourage applications. This is a point the member for Oakville made. To encourage applications, we have to ensure they can be dealt with without the potential downside that publicity might achieve.

The board is also very anxious to ensure that applications it receives will be dealt with expeditiously. We do not want to tell victims of crime in every case that of necessity they must wait until all legal or criminal proceedings are concluded. We want them to be able to apply and have their cases disposed of, but without prejudice to any trial or appeal process in which the accused may be engaged. That is one motive

for confidentiality and the kind of order that is contemplated by this section.

Ms. Gigantes: May I make a comment at this stage, following the Attorney General's statement?

Mr. Speaker: It is not the usual custom on the windup. I believe the standing orders say there are questions and comments on any member's debate other than the windup. I understand from the discussion it is going to committee. I am sure the member will have an opportunity then.

Hon. Mr. Scott: There is an amendment which I have just now put before both my critics. As I indicated to the member for Ottawa Centre (Ms. Gigantes), I think we will have to go to committee.

Motion agreed to.

Bill ordered for committee of the whole House.

House in committee of the whole.

COMPENSATION FOR VICTIMS OF CRIME AMENDMENT ACT

Consideration of Bill 12, An Act to amend the Compensation for Victims of Crime Act.

Hon. Mr. Scott: The amendment I have is to section 5, but I understand the member for Ottawa Centre (Ms. Gigantes) has a question with respect to one or more sections. Perhaps we can call them until she pops up.

On section 1:

Ms. Gigantes: It has been recommended to us by the Canadian Bar Association, and I would like the comments of the Attorney General (Mr. Scott) on this, that the provision we have in section 1 to allow in camera proceedings is not wide enough. We could accomplish what the Attorney General is attempting to accomplish in section 1 by duplicating language found in the Criminal Code and putting a ban on publications until the end of all proceedings against an accused.

Can I have the minister's comment on that? Currently, as far as the bar association is concerned, and I think its point has some merit, the board is limited in its right to hold in camera sessions.

Hon. Mr. Scott: I am not sure I understand the concern of the Canadian Bar Association in that regard, because the proposed amendment permits the board to impose an order in the nature of confidentiality until the final disposition of the criminal proceedings. I cannot imagine in what circumstance it would be desirable to impose the

order beyond the final disposition of the criminal proceedings, because the order made under that subparagraph is presumably designed to protect the accused.

The second amendment, which is in subsection 1(2) of the bill, I will deal with now. That is simply to add child abuse as one of the categories to which the order can be made.

While I am on my feet, when we were dealing with the principle of the bill, I undertook to respond to the member for Ottawa Centre about its retroactive feature but did not. As I understand the matter, anybody who is in receipt of an existing interim order, or interim monthly or other periodic payment, may at any time apply to the board, or the board may on its own motion deal with those payments, in the event there is a change in circumstance.

One of the characteristics of a change of circumstance is an increase in actual cost. If the order was made more than a year ago, I would anticipate it might not be a difficult matter to show that inflation or the cost of living has created a change in circumstances. Then the board could enter upon the matter, as I understand it, to make a new interim order, which would be an order subject to the limits imposed by the new act. I very much doubt—indeed, I think I should be more positive and say I do not think such an application in respect of a lump sum already paid out some years before would apply.

Ms. Gigantes: I appreciate the minister's comments. First, I accept his description of how subsection 1(2) will operate, and I thank him for that. Second, on the matter of the increase in pensions, as it were, or regular payouts to people who have already received awards, is the minister telling us this will be an automatic increase in effect? I would like to hear that it will be.

Hon. Mr. Scott: It is difficult to answer that, because the board is the master of its own procedure, and its chairman, a distinguished public servant of the province well known to the member for Ottawa Centre, is in charge of the administration of the act.

The act provides that there may be a renewed application or that the board may act on its own motion. It is not for me to say how the board will confront the problems the legislation creates. It can act on its own motion, and there may be much to be said in favour of doing that, but in appropriate cases it can also require an applicant to make an application of his own.

16:50

Ms. Gigantes: I wonder whether we can get a commitment from the Attorney General that he will encourage the board to consider increases based on a percentage that could be related to the increases in this bill and encourage the board to update its regular payments.

Perhaps I can raise one other question. In commenting on subsection 3(1) of Bill 12, which amends subsection 17(2) of the act, the minister said that in some cases where there had not been co-operation with representatives of the justice system, commonly referred to as police, the board may choose not to reduce the amount at all. That is not what the amendment says. I draw it to his attention. The amendment says we are going to add, after "compensation" in the second line of subsection 17(2), the phrase "or order a reduced amount of compensation."

That leaves the board with an amended subsection 17(2), which would say that the board shall refuse compensation in cases of nonco-operation or it shall order reduced compensation. It does not leave open the option he so blithely suggested to us in which, under certain circumstances, the board would not reduce compensation at all because of the nature of the case.

Hon. Mr. Scott: I will comment on the last point first. The honourable member has read the section correctly, but it involves, first, a determination by the board that there has been nonco-operation. In the type of cases I was describing to her moments ago in which, for example, a rape victim who is frightened of the risks that may be involved in going to the police fails to do so, the board might well have ample authority to conclude that it is not a case of nonco-operation.

Nonco-operation has a mens rea component—a knowing or willingness component to it—and is not simply an objective question. In the types of cases the member and I were discussing, the board would hold, and would have every authority to hold, that that was not a case of nonco-operation. Even if it was, the board can reduce the consequence of that nonco-operation as low as it wants.

If I may respectfully say so, the types of cases that concern the member, if I read her correctly, are cases where a board would likely conclude that it is not nonco-operation. It may be fear, shame or a number of other things, but nonco-operation in a wilful sense it is not.

With respect to urging the board to exercise its statutory duty in a particular way, I am unable to undertake what my friend wants me to do. I am not sure I have authority to do it in the first place.

Even if I could, I am not certain I would be comfortable doing it with respect to a statutory board with statutory obligations.

The statutory board answers in a public sense for the determination it makes in any given case or group of cases. I do not think a political minister of the crown should attempt to affect its judgement of what is right. As well, as the member knows, the chairman of this board needs no urging.

Ms. Gigantes: On the point of crimes in which the victim may be thought to be unco-operative, we know in sexual assaults against women it is probably true that more occur and that there are more victims than there are cases reported to the police or other members of the justice system. We also know that many cases which are not reported to representatives of the justice system do get reported to such bodies as rape crisis centres.

As we know from the Ottawa Rape Crisis Centre, it is the pattern that most of the people who come because they have been victimized come many weeks after the event. The average length of time that passes before an event is raised at the rape crisis centre is a matter of many weeks. I think that has to do with the nature of the crime.

We may be looking at a very understanding board that will reduce compensation in such a case by one cent. That is fine. I hate to think we will have cases raised in areas around Ontario where women have seriously reduced awards as victims because it is somehow decided that they did not report, they did not report quickly enough or they did not report fully enough. I put a word to the minister that this may happen.

When I inquired about whether he would encourage the board to update its monthly payments of regular awards under this legislation, I certainly did not have in mind any heavy-handed behaviour on his part. However, there may be cases where people may not know they can apply. Perhaps he could put a word in the ear of the present chairman or any other chairman who may follow in that position that there should be notice given to people who are on regular compensation that an application for an upgrading of payments would be considered, because there is now new money available in this program.

Hon. Mr. Scott: On the first point of co-operation, I think my friend and I are agreed that if a person wilfully refused to assist in the prosecution of an alleged criminal because he or she did not believe what had happened was a

crime or had some objection to his or her being convicted of it, that would be a case in which there would not in a sense be a victim and there would not be a payment. There should not be a payment because, of course, the board can sue the alleged perpetrator to recover the payment.

If my honourable friend accepts that premise, I think it is a matter in which we should in all propriety allow the board to make a judgement. The question is a subtle and difficult one, depending on an examination of the facts of the case. In the example she gave, in which women victims feeling abuse or shame were unable, unwilling or not anxious to come forward until what might be thought to be late in the day, I think it would not necessarily be concluded at all that there was a lack of co-operation in those cases.

However, the variety of cases across the spectrum of co-operation and nonco-operation is so broad there is probably no definition in the statutes that can adequately take care of them all. That is what we have a tribunal for. I ask the honourable member to consider leaving it there.

With respect to the attitude of the board in respect of the new amendments, I think it is proper to bring to my honourable friend's attention that the board itself has publicly requested these amendments and has discussed them with the ministry; so it is perfectly clear the board is aware of the kind of problem the honourable member has addressed and will conduct itself as it thinks it is statutorily entitled to do under the legislation.

Mr. Shymko: I want to comment on section 1, as this is the section where I can make some general comments on concerns I have, prior to proceeding to further sections. The Act to amend the Compensation for Victims of Crime Act is very important. I congratulate the Attorney General on the introduction of this bill—

Hon. Mr. Scott: On a point of order, Mr. Chairman: We are in the clause-by-clause stage and I do not get the honourable member's reference to section 1.

The Deputy Chairman: I would like to remind the member for High Park-Swansea (Mr. Shymko) that his comments must be related to section 1.

Hon. Mr. Scott: Should be, not must be.

17:00

Mr. Shymko: I want to refer to subsection 1(1):

"Clause 12(a) of the Compensation for Victims of Crime Act, being chapter 82 of the

Revised Statutes of Ontario, 1980, is repealed and the following is substituted therefor:

"(a) would be prejudicial to the final disposition of the crime proceedings against the person whose act or omission caused the injury or death."

An element of prejudice may at times occur in the disposition or appeal of cases by such organizations as legal aid clinics, which very often represent clients before the board. I want an assurance that there should be no prejudice in the presentation and the defence of individual cases before the board. We must be assured that individuals who are not only given the right to represent clients but also are publicly funded through legal aid clinics and who hold very important positions in legal aid clinics—and we have just gone through a bill earlier—

The Deputy Chairman: I have to bring you to order. That has nothing to do with section 1.

Mr. McClellan: Mr. Chairman, I think you will have to allow the member to establish whether there is a relationship between the remarks he wants to make and—

The Deputy Chairman: I gave him ample time to relate, and it has nothing to do with section 1.

Mr. Shymko: I was just coming to the point.

The Deputy Chairman: Order, please. Are there any questions, comments or amendments on section 1? The member for High Park-Swansea.

Mr. Shymko: An individual who is a director of a legal aid clinic has been accused of racism. That individual runs the South Etobicoke Community Legal Services and he will be representing Canadian citizens before this board. I am concerned when there are charges of racism levelled against such an important individual. We must make sure that individuals representing Canadian citizens before the board for compensation as victims of crime are sensitive and understanding and represent a fairness of judgement for citizens.

Ken Hill, a director of a legal aid clinic, has been charged with racism—

Hon. Mr. Scott: On a point of order, Mr. Chairman: The member for High Park-Swansea is taking refuge in the wrong bunker. This has nothing to do with anything in section 1. He might submit to the rule.

Mr. Shymko: Under what section, Mr. Chairman, will you allow me to raise this very important case? You have always been fair and flexible. There have been many examples where

members have been allowed to express certain concerns that are indirectly related to the bill in question.

The Deputy Chairman: Order. I am trying to be very co-operative with you. We are now discussing the bill clause by clause, and I feel there is no relationship whatsoever with section 1. If you have anything to discuss about section 1, I will allow you to do so.

Section 1 agreed to.

Sections 2 to 4, inclusive, agreed to.

On section 5:

The Deputy Chairman: Hon. Mr. Scott moves that section 5 of the bill be struck out and the following substituted therefor:

"5. (1) Section 26 of the said act is amended by adding thereto the following subsection:

"(2a) The board may elect to limit the amount for which it is subrogated to the amount of compensation that it has paid in respect of the person whose rights were subrogated by limiting its claim to the amount so paid and where it so elects may maintain the action in the name of the minister."

Hon. Mr. Scott: I am advised by my advisers that this amendment is a more appropriate way to express the limited subrogation capacity that we are vesting in the board than the language in the bill in printed form.

Mr. O'Connor: My very simple question is, what does it mean? I have a great deal of difficulty understanding the wording of it. Is there a more simple explanation, and if so, why do we not use those words? It may be my deficiency in this regard, but I think similarly the Attorney General may be having some difficulty, from the fact that he did not provide an explanation and also further from the fact that he is now wandering off to confer with his officials to determine what it does mean.

Although she is not here now, the member for Ottawa Centre, I believe, had a similar concern.

Hon. Mr. Scott: She is not making any trouble about this point; it is the member opposite who is.

The subrogation rule, as my honourable friend will know, can be expressed to require the subrogated board either to sue in full against the accused or to sue only for the amount it has paid out. I am advised that the original amendment might require—there is some doubt about it—the board to sue the accused at large for the damage that was caused, even if it be beyond the amount of compensation that was paid.

That is not the intention. The purpose is to allow the board to commence an action in the name of the minister in respect only of the amount it has paid out or proposes to pay out.

Mr. O'Connor: The section refers to an election to limit. What is the election? An election to me would mean the board could elect to sue for one amount or another amount. Surely the amount it can sue for is always and only ever one amount, and that is the amount it has awarded to the victim. How is it that it has an election to limit the amount somehow?

Hon. Mr. Scott: I am advised that this is not so; that the board's power to sue, absent this section, might permit it to sue the accused for the damage that was caused to the victim even if that damage be an amount fixed by a court larger than the amount of the board's award. We do not propose to give the board that elaborate power, and for certainty we propose to restrict the subrogated claim simply to the amount the board has paid or proposes to pay out.

It is an amendment for clarity. No different intention is reflected in the language I propose.

Mr. O'Connor: I understand the intent and I think the Attorney General and I are ad idem with respect to what we are trying to achieve here. I still have some difficulty with the reference to an election that the board might have. It seems to me that if the board, in common English, can elect to do one thing or another, then there is some option involved; if there is an option, then it can sue for varying amounts.

Surely it should say, "the board is subrogated to the amount of compensation that it has paid in respect of," etc. I will put that by way of a question to the Attorney General. Why should the section not simply read, "the board is subrogated to the amount," etc.? Why give it an election?

Hon. Mr. Scott: I must plead that I may have misled the honourable member in my answer, and that was because I was perhaps misled myself in understanding the section. I gather the intention is to allow the board an election to sue for a larger amount or to sue for the amount it has paid out. In other words, the board will make an election.

The practical difficulty between doing the two is that if it elects for a fuller amount, there may be a long, drawn-out lawsuit involving the victim giving evidence and so on. In those circumstances, the board wants to have the capacity to say, "We will restrict ourselves only to our claim and will not advance the larger claim, because the victim is not interested in pursuing that." It is

to allow the board to make that choice in the interest of the victim.

Mr. O'Connor: In that event, presuming the board has that option or that election, there are going to be some circumstances where it can elect to sue for a larger amount than it had awarded. Perhaps the Attorney General can explain when that might occur; and if it does occur and if the board is successful, what will happen to the excess funds? Why would they not go to the victim?

17:10

Why would the board ever award less than what the victim is entitled to and has recovered from the accused or the perpetrator of the crime? What happens to the extra money?

Hon. Mr. Scott: I am advised that it is precisely like the Workers' Compensation Board. If the board elects to act as subrogated and sue for the larger amount, that is, more than it has paid out, then any surpluses recovered above the amount paid out go to the victim, just as in a Workers' Compensation Board case where there is a lawsuit permitted by law.

However, when that first case goes forward, it will be necessary for the victim to give evidence, to submit to an examination for discovery, as if an ordinary trial were being pursued. The victim may not want to do that for a variety of reasons. If the victim does not want to do that, the board will want to sue for the amount it has paid out; thus, the election.

When it sues for the amount that it has paid out, there is no necessity to involve the victim, because the claim is proved by the board showing it has made the payout under the act, and the lawsuit can be a very simple, very short one.

Mr. O'Connor: I do not follow that either, with respect. If the board is involved in a civil suit, it surely has to make its case in a civil court. It requires evidence by way of the victim giving testimony and it requires witnesses. How is the board supposed to make its case in a civil suit without the assistance of the victim who will give evidence on its behalf? The standard of proof is different before the board and in a civil action, and there is that problem.

Hon. Mr. Scott: I believe the honourable member to be wrong on that. In a case in which the board is suing only for the amount it has paid out, the issue of whether the board should have paid it out is not disputed; it cannot be disputed. The claimant, in effect, is the board. Under the statute, the board has paid out X dollars on account of this crime. The board is the claimant

and it is really a claim strictly between the board and the victim.

If the board sues for a larger amount, it is making its own claim and a claim on behalf of the victim and it needs the victim's co-operation by way of discovery and testimony to do that. All we are saying here is that the board should be able to make the choice.

Mr. O'Connor: I think that finally, among the Attorney General, myself and his learned staff, we have figured it all out. I accept his explanation.

Mr. McClellan: I hope I have not missed the section I want to raise some questions on. I was required to do a bit of running around as we were going through this. If we have passed the section, perhaps I could have the consent of the House to backtrack for a moment or two.

I want to get an understanding from the Attorney General of the basis of both lump sum awards and periodic payments under this statute. The Attorney General alluded to the Workers' Compensation Board. As I am intimately familiar with the working of the Workers' Compensation Board but not with this statute, can he give us an understanding of the basis of the determination of lump sum payments under this statute? Is there a schedule based on the equivalent of the Workers' Compensation Board rating schedule used for lump sum payments? Similarly, how is the determination made with respect to periodic payments?

Hon. Mr. Scott: There is no parallel to the schedule that exists in the Workers' Compensation Board Act scheme.

Section 18 of the act simply provides that "the board may order compensation to be paid in a lump sum or in periodic payments, or both, as the board thinks fit." Then section 19 provides the limits of that compensation.

Mr. McClellan: I take it then that there is no schedule attached, for example, identifying specific injuries on an insurance-model basis and attaching a monetary award?

Hon. Mr. Scott: I am advised there is not.

Mr. McClellan: How then are the determinations made? Are they made on the basis of—I do not mean this in the pejorative sense—totally arbitrary decisions on the part of the board? How does the board arrive at an understanding of what an equitable settlement is for a particular individual, both with respect to a lump sum or for periodic payments?

Hon. Mr. Scott: Section 7, which is the compensation provision in the act, provides:

"Compensation may be awarded for," and then there are the following clauses (a) through (f):

"(a) expenses actually and reasonably incurred or to be incurred as a result of the victim's injury or death;

"(b) pecuniary loss incurred by the victim as a result of total or partial disability affecting the victim's capacity for work;

"(c) pecuniary loss incurred by dependants as a result of the victim's death;

"(d) pain and suffering;

"(e) maintenance of a child born as a result of rape;

"(f) other pecuniary loss resulting from the victim's injury and any expense that, in the opinion of the board, it is reasonable to incur."

The statute provides some six categories, the first five of which relate, with fair precision, to heads of damage such as expenses, pecuniary loss, pain and suffering, and maintenance. The last category is a more general one, which refers to other pecuniary loss that, in the opinion of the board, it is reasonable to incur.

The board takes each of those heads and the evidence in the case and attempts to assess the amount that has been proved under that head. For example, it takes the evidence on expenses and the evidence of pecuniary loss under clauses (b) and (c). Under pain and suffering, it engages in the same type of exercise that a court does when it attempts to quantify, within the general outside limits that the statute fixes, the pain and suffering that is attributable to this type of injury as opposed to perhaps another one, and so on. It is on that scheme and with that kind of flexibility that the board makes its judgements. There is no chart or schedule.

Mr. McClellan: I appreciate that explanation, but just so that I am clear, in making a determination about financial loss resulting from impairment of earning capacity—I have forgotten the exact language of the statute; I am switching into the language of the Workers' Compensation Act rather than the language of this statute—will the board hear evidence with respect to the actual loss and make an award which, as I understand it from what the Attorney General said, will compensate dollar for dollar for lost earning capacity, or is there a percentage?

I am trying to understand in a nutshell whether this board actually compensates for the proven loss of earning capacity or whether it is substituting its own judgement as to what is an adequate compensation for loss of earning capacity. I understand evidence is taken as to the

actual impairment of earning capacity. What happens then? Is there 100 per cent compensation? There obviously is no formula. How does the board decide what to award?

17:20

Hon. Mr. Scott: As I understand the matter, the intent of this legislation is to permit the board, within the outside limits of the periodic or lump sum payments, to make an actual determination of loss. It does that by hearing evidence, or in many cases it uses written reports from persons who will say the employee was absent from work on account of the accident and persons who will say that by being absent from work, a person did not receive pay in the following amounts.

In respect of past earnings, the calculation is relatively straightforward. With respect to future loss of earnings that may occur because of the injury, it is more difficult, because the board has to project, as courts do, on the assumption that the earnings of the victim would not necessarily have been straight-lined for the rest of his life. He might have increased his earnings by promotion, or he might have lost his earnings by layoff or discharge. The board makes the kind of calculation that any court makes in assessing how that should be valued in contemporary terms. This is all, I am sorry to say, within the outside limits of the awards that the act permits. There is no discount, in other words, as far as I understand the matter, for any particular items per se.

Ms. Gigantes: This discussion really underlines the comments the member for Oakville made and which I supported, in terms of the limitations of the awards as they are set out in this bill. There was an article published in the *Toronto Star* of June 7, 1986, which referred to the case of woman named Dianne Purna, who was brutally beaten up five years ago. For the last five years, she has been making do on \$500 a month, although totally unable to work as a result of the crime of which she was a victim.

If someone like Dianne Purna loses all ability to earn income as a result of an atrocious crime—and we know of such cases in Ontario—then a lump sum payment of somewhere around even \$25,000 plus the maximum monthly award of \$1,000 is not much solace for somebody who may have been earning a pretty good living beforehand. That is precisely the point we have tried to make with the Attorney General. We have complained about the levels of compensation available, even under his amendment to our legislation, and we hope very much that he is going to look seriously at those levels of compensation. Unfortunately, there are many

cases where the levels set out in this amendment are not going to be fair, and they are not what the public of Ontario will support.

Hon. Mr. Scott: We seem to have reverted to the general considerations of second reading, but let me—

Mr. McClellan: No, we are on section 4.

Hon. Mr. Scott: I would never have allowed it had I known this was going to happen.

The Deputy Chairman: Order, please. Did the member for Bellwoods (Mr. McClellan) say we are discussing section 4?

Mr. McClellan: When I started my remarks, I had asked for unanimous consent—

The Deputy Chairman: Yes, you did. I agreed.

Mr. McClellan: —to revert to a previous clause, and I received it.

The Deputy Chairman: I did not ask the committee.

Mr. McClellan: Has this whole interesting and useful discussion been out of order for the past 20 minutes?

The Deputy Chairman: That is not what I am saying. I will ask the committee. Is there unanimous consent that we continue discussion of section 4?

Agreed to.

The Deputy Chairman: Please go on.

Hon. Mr. Scott: I am certainly learning my lesson quickly.

Hon. Mr. Sweeney: Wait until the Attorney General tries it next time.

Hon. Mr. Scott: I certainly will not.

The case the member for Ottawa Centre referred to reflects the very serious limits the 1971 act imposed. The award she referred to was obviously one that was made under the 1971 act. We have essentially doubled the awards. If that accident occurred today, the lump sum payment, which was then \$15,000, would be \$25,000. Perhaps more important, the periodic payment per month, instead of being \$500, is raised to \$1,000.

As I said in introducing the bill, this is an effort to go some distance towards rationalizing the limit of these awards. We have not gone the whole distance, but a very substantial extension has been made, consistent with our obligations to take into account the other important and pressing needs that the taxpayer of the province must meet. I am grateful, because I have the sense from all members that these limits, while

not the last word, are an appropriate response to these problems in 1986.

Mr. McClellan: I will not prolong this discussion. I have intruded on the indulgence of the House and I know the minister is anxious to secure the passage of other legislation this afternoon.

I want to make the point that sooner or later we have to confront the problem of the multiplication of compensation programs under different auspices, different jurisdictions, different administrations, different criteria and different benefits.

Under the Workers' Compensation Act, which is far from my favourite statute—I look forward to the day when it is shredded and rewritten; I hope it may even be this fall—a worker is entitled to receive 90 per cent of gross income up to a maximum of \$35,000, if my memory serves me, by way of compensation for impairment of earning capacity because of an accident suffered on the job. Somebody who suffers an accident off the job is entitled to zero, except for the welfare programs of this province. Somebody who is disabled as a result of crime is entitled to benefits as just outlined by the Attorney General under this clause up to a maximum of \$1,000 a month or \$12,000 a year.

It does not make sense. The overall system has no coherence or integrity. Individual citizens are at risk of disbenefit, depending on the source of the disability and the impairment of earning capacity. I hope the Attorney General will turn his forensic skills to looking at some of these anomalies before we come back with more piecemeal amendments to piecemeal statutes.

Hon. Mr. Scott: I do not regard it proper to comment on a bill that is the responsibility of another minister, but I understand my honourable friend's point. I do not think it is a point that can be addressed except in a very significant global review of a whole lot of programs. It will probably next come up for discussion when someone raises the question of the guaranteed annual wage.

Mr. Breaugh: I want to make some remarks on this. As many members know, a number of us have reviewed the Criminal Injuries Compensation Board and this concept on other occasions. We have been forthright in our criticism of the levels of compensation that were set previously and the technique that was used. I want to review this section of the bill and to point out that I am supportive of what the Attorney General is proposing in the section. It is laudable to some extent that he has made major increases to the

compensation under this section of the act. That is good stuff.

Let me also point out what we have pointed out on a number of other occasions. The process does not really lend itself very much towards fairness. Over the years, a number of us have raised the rather difficult proposition that to compare what we would do to the criminal in this instance as opposed to what we would do for the victim is a most unfair and unusual comparison.

17:30

If we took this section of the act, for example, applied it to the Criminal Code and said, "We will imprison someone but only to this dollar amount and we will impose statutory limits on how much money it will cost the taxpayers to incarcerate this person," if we compared those limits to what is being proposed in this section, we would find the following:

For example, under subsection 4(1), if we said to the criminal, "We think you are guilty of a crime here, so we are going to punish you by putting you in jail and that jail sentence will cost the people of Ontario no more than \$25,000," most of us who have followed this process know sadly that, in most of our institutions, there would be nothing more than a six-month jail sentence imposed. We do not do that because the dollar amount is not the critical point here. The critical point is what the crime is and what is a suitable punishment. That is hardly what is being proposed in this section.

I understand—and I do not want to be mean, nasty or critical because this review has taken a long time to get to this point—that around here, this is the first major review of compensation paid to victims of crimes in a long while, but the principle remains the same. The dollar amounts are laid on what type of compensation can be paid to victims for crimes. I understand what the minister is trying to do. I am making the argument that I hope this will be the last time such a review takes place in quite this manner. I believe the dollar amounts are not appropriate.

From time to time, members on all sides have raised cases where, without question, a victim of a crime had his or her whole life destroyed. We know that. It is a matter of record. We have put on the record occasions when fathers of people who were victims of crimes saw their whole families disintegrate and so did the mother and others in the family. That resulted in a loss of income, house, home and future for the victims of crime and those around them.

Over the years, those of us who have followed the reports of the compensation board's awards

could not fail to notice how ludicrous those awards were in dollar amounts and in the nature of how compensation could be awarded. We saw many instances where police officers put their lives at risk and for that got some compensation of \$400 or \$500. We saw where people in the public put their lives at risk and got an award of a really minimal amount of money from this board.

This approach and the approach taken under this section say we will increase the dollar amounts to what the minister feels are more appropriate monetary awards. There are real restrictions on it other than just the dollar amounts mentioned in this section. I want to make the case that this is fine this time around. Again, I want to say it is long overdue, but I am urging the minister to drop this approach.

I understand what he is trying to do. I understand the fiscal problems any government would have in trying to address the concerns of parents who have had their families disintegrate, which brings about not just a loss of income but a great crying need for other medical services and other support services, some of which are present in their own communities, some of which are just not there, some of which are covered under the Ontario health insurance plan and other compensation schemes and some of which are not covered at all.

I want to make the argument that this measure may be appropriate for now, but I want the minister to get on with that review of those other matters that have financial implications, that is for sure. Perhaps he may be able to put some emphasis on that, but there are also a great many other things that have to be considered.

I know the minister has met with several groups with interest in victims of crime that have had conferences from time to time, and I am sure they have made him aware in very dramatic ways. Most of these people are very angry and very frustrated and take that anger and frustration out on the whole system. The root cause of all this is the fact that their lives have been ruined by somebody who did a criminal act. The way we compensate for that has been pitiful to date.

This is a somewhat more generous attempt to provide compensation, to raise the dollar amounts to these levels, which will be fairer to some degree, but it has not really addressed the principal problem, which is that this is not meeting their financial obligations, and I do not think I heard the minister pretend this afternoon that it would. It will be a fairer compensation for the problem, but it is not a system designed to meet the financial problems they incur.

I anticipate we will see again, even with these changes, people writing to us and appearing in our offices saying: "The dollar amount that was awarded under these changes is better than what I would have got before, but the problem is that my life has been ruined. I lost my house, I lost my job and I lost my career."

That will continue to be the basic unfairness that is present. I would like the minister to respond to that—perhaps not at great length—because that has been my argument in here for a long time, and I know it is an argument that is shared by many members. When we attempt to meet with people who have been victimized in a criminal situation, the frustration and the anger are compounded.

It begins initially with a criminal act, with some injustice. It is compounded further by the fact that financial ruin often enters the picture and that what began as a criminal act turns into something that ruins the family's future, ruins the relationship within the family, causes medical and psychological problems that degenerate into problems at the place of work.

They are really in a terrible position, and we have never in this province or in this country begun to address their concerns. To go back to what I said initially, the irony I always find is that if we said to our judges and our courts, "You can find this guy guilty, but you can spend only \$20,000 to incarcerate him;" or if we ever, God forbid, said to our courts, "We would like a court procedure here; it can be as thorough as you like, but it has to come in at under \$5,000;" they would reject that proposition totally.

There are many of us who are very angry that one part of the justice process really knows no restriction in terms of cost. A police investigation can go on for years and we are not allowed to question that. An inquiry into something can go on for years and we accept that it will cost \$2 million, \$3 million, \$4 million or \$5 million to hold these inquiries. The judges would be in open revolt if we suggested they could not deliberate as long as they saw fit and come up with judgements as they saw fit. At the other end of the process, the victim walks into a system that says: "There are real limits on how much compensation we can offer you. There are real limits on how much compensation you can even aspire to get."

I hope that under these amendments they will be able to say it is a little bit fairer than it used to be, but I am anticipating—perhaps wrongly, but I think not—the board will continue to say, "Some of your expenses and some claims against the

system are legit and we will pay them up to this limit," but I anticipate as well that it will say, "We will arbitrate and we will say to you you cannot come and talk to us about the loss of your home, the loss of your family or other family problems that you get into."

I would simply like the minister to respond to that kind of long statement, and it is long because the problem has been around for a long while and we have all dealt with a number of cases; but it is what I consider to be a very serious problem. I accept that this is an appropriate step for now, but I am reaching out for some hope that in the near future we will give the victims of crimes every bit as much attention and every bit as much financial attention as we give those who perpetrate the crimes.

Hon. Mr. Scott: May I just respond by saying I would like to leave for another day the question of the process that concerned my friend at the end of his remarks, because that is a rather different subject from the one he started out on. I understand what he said, and it makes good sense and has to be dealt with. However, I do not think it is at the heart of his concern, which is represented by his recognition that these amounts, as an outside limit, seem inappropriate in terms of the money the public spends on a vast array of other things such as incarceration, investigation and so on. There is some impropriety.

17:40

At the moment, let me accept that as a given and say that if one is going to deal with this question, as I think we all should, one has to recognize that in every case some body is going to set the outside limit. It can be a legislature, as we are doing. It can be the tribunal itself. One can give it a blank cheque and tell it to pay whatever it wants out of the Treasury, to fix what it thinks is right. It can be a court.

In each of those cases, we have found from experience that there are limits. For example, courts have decided that, including inflation, \$180,000 is the maximum payout for pain and suffering. It is not found in a statute; it is in the judgements of the courts. The limit has been fixed by nine appointed judges who cannot be recalled to this Legislature or the Parliament of Canada.

We could allow the limit to be set by the members of the Criminal Injuries Compensation Board and thereby run the risk that they were either too conservative and niggardly or that they spent all the Treasury; or the limits can be set by the Legislature.

I have practised all my life in the courts and I have grave reservations about granting extensive powers of that type to courts and tribunals. Having heard my friend say the limits are inadequate, about which he may or may not be right, I still think it is the responsibility of the Legislature or its delegate, the executive council, to set those limits for this kind of plan.

We were talking the other day about no-fault automobile insurance, which has been introduced in other provinces. Whether no-fault automobile insurance is run by the government or the private sector, it will have limits built in. One will not be able to get more than a certain amount for pain and suffering. Every plan that exists in Canada has those limits.

I am not complaining about that. I am not giving that example to be critical of such plans. I am simply saying the limit has to be set by somebody. Would the honourable member be more comfortable if the board were able, as it is constituted from day to day, to set the limit and fix the tax rate thereby, or would he feel that should be the responsibility of the popularly elected representatives of the province?

I opt for the latter course, not only because I am afraid a tribunal may spend a lot of money, but also because I am afraid it may not spend enough. There are examples of that kind of tribunal too. However, it is a discussion we must have on another day.

Mr. Breaugh: I appreciate the points the minister has made and I believe that in the main they are legitimate points of view. I wonder how the Criminal Injuries Compensation Review Board will look at these. I guess we will simply have to wait and watch for a year or so to see whether there is a substantial change in its granting of awards.

As the minister says, there are now new limits, and perhaps it is quite legitimate that in the Canadian experience—and this is a very Canadian way to go about things—the legislators will draw up an act such as this and the statutory limits of amounts that may be granted will be in a section such as this.

There are other places in the world where they say, for starters, that is a difficult thing to do and it is an inappropriate thing to do. There are many other jurisdictions where they say they will hear this on a case-by-case basis and some learned person somewhere will establish, by means of precedents, what one case is worth and what another one is worth.

Hon. Mr. Scott: No such place.

Mr. Breagh: I believe the minister will find some.

Hon. Mr. Scott: Only Ireland, I believe.

Mr. Breagh: All good things come from Ireland. We all know that.

I want to put on notice that the track record of this board is not great. I happened to have been chairing a committee, and we reviewed this board. Their track record was not great for a lot of reasons. They said there were really tough limits placed on the amounts they could award. This bill and these amendments will go some measure towards removing that problem.

They got into the argument about shared financing of the program itself, and I am not sure we will resolve that in this instance. At the base of it was a third problem. The board saw these things in a very different perspective to what the victims did. They saw legislative limits on the kind of awards they could give, limits on the amounts they could give, and very stringent rules.

My friend the member for Bellwoods (Mr. McClellan) mentioned the Workers' Compensation Board. I am afraid that in my dealings with this board they took a similar track. They did not quite have a meat chart, but it was close to that. They did not quite impose limits on what one could claim as being some form of injury, but it was very close to it.

The best we can do for now is to accept these amendments and watch in the next year or so as the board begins a slightly wider process with slightly wider limits. We will see whether the board is able to respond in a more humane way to people who I believe have bitterness, but bitterness with reason. It seems to me that if we or members of our families had been injured during a criminal act, when we were trying to help the police or someone who was a victim of a crime or we were the victims ourselves and we had been dealt with by the board under its previous conditions, we too would be very angry and very frustrated.

It will be fascinating to watch now and see whether, with these changes and these monetary limits being increased substantially under this proposal, the board responds to them. If it does, I suppose we can say it is a little bit better than what it once was, but that remains to be seen.

Hon. Mr. Scott: I do not want to prolong this, so I am going to try to make a deal with my honourable friend the member for Oshawa (Mr. Breagh). It is very easy and right, and part of his duty as a member of the assembly, to criticize this or any other board for the way it makes

awards when it is caught by a statutory limit of, let us say, a lump sum of \$25,000.

It is very easy for all of us, from our experience, to find cases where we think people should have got more than they did. There are lots of those cases. It is also easy to say, and right to say, that there should not be a chart to which reference is had to determine the amount; but having said all that, the judging must go on.

I ask my honourable friend, indeed I challenge him, to present a scheme that will show how the variety of cases can be disposed of against an upper limit of \$25,000. There are various ways. We could say that anybody who applies will get \$25,000, everybody will get the maximum. We could say, absurdly, that everybody will get the minimum, because we are waiting for the cataclysmic case so severe in its consequences that only \$25,000 will approach it.

We could also say that most of the cases, 99 per cent of them, are going to be between \$1 and \$25,000. Then we could ask where they are going to sit on the spectrum. Surely we cannot say: "Broken legs are big today. They will all get \$1,000, rather than last week when they all got \$500." We have to develop a scheme, a rationale or a theory which will help to decide thousands of cases against that maximum limit, all bearing some rough relationship, which means some rough justice, one to the other.

The member for Oshawa, as he returns in his car tonight to that city, can be thinking about that and he can jot down in the morning his plan to give instructions to this tribunal or any other on how this is to be done. I am confident it will be a good plan and that it will solve all the problems. More than anything, I am confident I am going to get it from him.

17:50

Mr. Breagh: I cannot resist. I have to respond to the invitation from the Attorney General to make another deal. I want to remind him we made one deal a year or so ago and I want to wait and see how that deal works out before I engage in any more deal-making with him.

Section 4 agreed to.

On section 5:

Hon. Mr. Scott: Mr. Chairman, I think we have called section 5. We have had the discussion and I have nothing further to add.

Motion agreed to.

Section 5, as amended, agreed to.

Sections 6 and 7 agreed to.

Bill, as amended, ordered to be reported.

On motion by Hon. Mr. Scott, the committee of the whole House reported one bill with a certain amendment.

PROVINCIAL OFFENCES AMENDMENT ACT

Hon. Mr. Scott moved second reading of Bill 70, An Act to amend the Provincial Offences Act.

Hon. Mr. Scott: As the members of the House will recall when I dealt with this some time ago in introducing the bill, I pointed out that the bill contains a number of amendments which are designed to ensure the successful operation of the new procedures for the prosecution of parking infractions contained in part II of the Provincial Offences Act. The amendments are complex. I would be interested in the comments of honourable members upon them.

The importance of the new scheme is, first, to assure that everybody who wants a trial of a parking offence gets one. There is no question about that; if one wants a trial of a parking offence, one is going to get it.

Second, it introduces a streamlined procedure which it is estimated will achieve considerable savings for municipalities that bear the responsibility of serving process. That is currently estimated at about \$10 million annually. I commend the amendments to honourable members and invite their response, if any, to the proposals.

Mr. McClellan: Perhaps the minister can tell us what the offsetting revenue is to balance this piffling cost?

The Deputy Speaker: Before we get the reply, are there any other questions or comments from any members? If not, a reply from the minister for two minutes.

Hon. Mr. Scott: I am sorry I did not make myself clear to the protector of the exchequer. It is anticipated the savings to municipalities will be a gross figure of \$10 million annually because of the streamlined service process that is contemplated under the act. It is not anticipated the revenue that will be produced to the municipalities or the consolidated revenue fund will significantly alter. What is it annually? A lot.

Mr. O'Connor: By way of very brief comment, may I indicate we agree with the Attorney General in his efforts to streamline the process with regard to parking tickets. As he indicates, the amendments are somewhat complex and they do achieve that admirable goal of

cutting costs, of speeding up that process and of generally streamlining the situation.

As he points out, everyone who now wishes to have a trial with regard to a parking ticket charge can have a trial. That does not change anything. Everyone who has a parking ticket has always had a right to a trial. He was just assuring us that no one will be deprived of that right as a result of these amendments.

In his admirable and commendable efforts to streamline the process, the one mildly concerning aspect of these changes is that we are engaged in a process of perhaps necessarily detracting from some of the legal procedural rights that accused, albeit accused of an extremely minor violation, formally had under the old statute. For instance, subsection 2, as set out in the explanatory notes, permits a justice to enter a default conviction for a municipal bylaw offence without proof of the bylaw if the defendant does not want to dispute the charge.

Not having to prove the bylaw and not having to go beyond the certificate of offence on its face is now accepted as being accurate and correct. It is a deprivation, shall we say, of a legal right that formerly existed.

On balance, the benefits of the cost-saving and streamlining of the process in regard to the actual amendments that are being proposed do outweigh those deprivations I have mentioned. However, we have to be careful when we launch into this type of process where, in the interests of expediency, we deprive people of former rights. There is a very fine line that has to be watched in that process and over which we have to be very careful not to step. I do not think we have in this case, but that whole situation, that whole approach, has to be monitored carefully so that in the interests of expediting matters and processing paperwork, and in the interests of bureaucracy running smoothly, we do not infringe on anybody's rights.

Mr. Breagh: We will support this bill. Many members will be aware that huge legal wars have been fought over who can give a parking ticket, how they have to do it and what happens afterwards. It is one of the raging issues of our time for some small group of folks.

It is purported that this particular bill will resolve, expedite and be fair; if it does that, great. I have a sneaking suspicion in the back of my mind that it will not be quite as smooth as the minister would like it to be. I grant him that this is the attempt to expedite the process at less cost so that everyone's legal rights will be upheld. As we speak, I will bet there are some lawyers out there

chomping at the bit, waiting to get at this one as they have gotten at every other statute we have ever passed, and away they will go.

To be fair, and to keep them in business—and we do not want a lot of unemployed lawyers around, just a few specific ones—we are happy to support it and give them their day in court.

Motion agreed to.

Bill ordered for third reading.

The Deputy Speaker: Is the acting House leader going to deal with the business for next week?

BUSINESS OF THE HOUSE

Hon. Mr. Scott: On Monday afternoon, November 3, we will do Treasury estimates.

On Tuesday, Wednesday and Thursday afternoon, we will complete second reading of Bill 131 and second reading of Bill 72; then committee of the whole House on Bill 8, followed by second reading of Bill 128 and Bill 116.

On Thursday morning, we will do private members' business standing in the names of the member for Port Arthur (Mr. Foulds) and the member for Brampton (Mr. Callahan).

Mr. Breagh: On a point of order, Mr. Speaker: Is it true that we have dealt with three pieces of legislation in one afternoon here? We have gone too fast.

The Deputy Speaker: That is not a point of order.

The House adjourned at 6 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

Second Session, 33rd Parliament
Monday, November 3, 1986

Speaker: Honourable H. A. Edighoffer
Clerk of the House: C. L. DesRosiers



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, November 3, 1986

The House met at 1:30 p.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Mr. Nixon: I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: The Lieutenant Governor transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1987, and recommends them to the Legislative Assembly. Signed by the Lieutenant Governor, Lincoln Alexander.

MEMBERS' STATEMENTS

MINISTER'S RESPONSE

Mr. Brandt: In October 1985, I was contacted by a constituent who was experiencing problems in having some drug receipts reimbursed. On her behalf, I contacted the Minister of Health (Mr. Elston) by a letter dated October 24, 1985. I contacted the minister again out of necessity on December 12, 1985, and on February 17, March 26, May 8, August 7 and September 3, 1986. I finally received a response from the minister on October 21, 1986, three days less a full year from the first time I contacted him on behalf of my constituent.

Mr. Ashe: That is fast.

Mr. Brandt: That is real action.

In his letter the minister made no attempt to explain this incredible delay. He did not even apologize and, I might add, he did not help. He simply told me there was nothing he could do to be of assistance, although he did finish his letter by saying I should contact him again if I required further information.

To the minister, who is not in the House at the moment, I do require further information. I want to know why it took a year for him to respond to the original letter and I want a letter of apology to go to my constituent. I will send the minister a copy of the letter.

OCCUPATIONAL HEALTH AND SAFETY

Mrs. Grier: I want to draw to the attention of the House the urgent need for the Ministry of

Labour to make a commitment to the principle that workers seeking enforcement of the Occupational Health and Safety Act have the right to be examined by a doctor of their choice and that independent occupational health clinics can play a vital role in this system and deserve support.

Two examples will illustrate the problem. Earlier this year, 81 workers at de Havilland Aircraft of Canada Ltd. arranged to have medical assessments done by doctors at the Ontario Workers Health Centre in Hamilton. The company had no control program in place, despite the extensive use of isocyanates, and the ministry had failed to enforce the act. Now de Havilland is refusing to pay the health centre for the assessments. Despite repeated requests by the member for Sudbury East (Mr. Martel), the minister has refused to take action.

The other example is the Lakeshore occupational health clinic in my riding. In existence for two years, this community-based clinic is still waiting for funding from the Ministry of Health. Why? Because of jurisdictional difficulties between the Ministry of Labour and the Ministry of Health.

By its inaction on both these issues, the Ministry of Labour puts at risk the ability of such independent clinics to survive. Is that the government's intention? Surely it is time to recognize that Ontario workers need help in dealing with occupational health and safety problems. They need a government that is prepared to enforce the regulations; they need the right to know more about toxic substances; and they need the right to assessments and treatments by doctors of their choice.

SRI LANKA CLUB

Mr. Offer: It is a pleasure to inform the House of the ongoing work of the Sri Lanka Club of Peel. The recent history of Ontario has been profoundly affected by the influx of people from around the world who have come to our province in search of a better life. Responding admirably to the needs and interests of our Sri Lankan community, the Sri Lanka Club of Peel aims to foster the social and cultural development of its members and facilitate their integration into Canadian society.

All those affiliated with the club should be commended for their commitment to preserving their heritage and to the wellbeing of the people of Sri Lankan origin. They have much to be proud of, not only for their past accomplishments but also in the challenges they look forward to meeting in the future.

HEALTH CARE COSTS

Mr. Andrewes: In a recent speech, the Minister of Health (Mr. Elston) indicated his concern over the rising cost of health care in the province. These concerns should not only manifest themselves in the big-ticket items but must also be extended to review all the programs the ministry and the minister administer.

Three years ago, 15-year-old Neil had a serious accident which left him with brain damage. As part of his behavioural modification, Neil requires an arm restraint. One restraint was signed by the hospital staff, quickly challenged by Neil and soon discarded. This did not prevent his mother, a single parent with another son to support, from receiving a bill for \$439 for the restraint, 75 per cent of which was paid by the Ontario government assistive devices program.

The restraint was challenged within half an hour. It is now a relic of Neil's long struggle to cope with his handicap, but his mother and the taxpayers of the province wonder why this obsolescence has cost them \$439.

ABUSE OF THE ELDERLY

Mr. Dean: Last Friday the Toronto Mayor's Committee on Ageing held a conference on elder abuse. It was attended by more than 250 people from the social work and health care professions. This month the city of Toronto will also be running a public awareness campaign on elder abuse through posters placed in bus shelters and subways. These initiatives deserve notice and commendation.

Unfortunately, it is a sad fact that this government has done nothing to help the potentially 36,000 seniors in our province who may be abused. The previous government recognized this issue and took a major step towards seeking a solution in 1984, when the standing committee on social development was asked to take a close look at elder abuse. This led to the February 1986 report by the Ontario Advisory Council on Senior Citizens, which made some 13 recommendations. Since then, this government has ignored the report and taken absolutely no action to deal with this tragic problem.

It is time for this government to follow the example being set by the city of Toronto and other municipalities and to take action on elder abuse. Like child abuse and abuse of women, the issue cannot be ignored. I urge the Minister without Portfolio responsible for senior citizens' affairs (Mr. Van Horne), who unfortunately is not here, and his colleagues to take a look at the report from the senior citizens' advisory council and to take action on its recommendations.

SENIORS' INDEPENDENCE LEGISLATION

Mr. Warner: I rise because I am very upset about this government's approach to what I thought was a nonpartisan effort to present to the House Bill 3, the Seniors' Independence Act, which was subsequently given second reading. That was the first opportunity this province has ever had to place before the people a comprehensive plan, whose aim is to place an emphasis on home care and to take away the traditional approach of institutionalizing seniors. Our rate of institutionalization is approximately double that of most western European countries.

The bill passed second reading and was sent to committee, but apparently the government members on the committee are still not prepared to treat the bill seriously. I am very disturbed and upset by that. It seems to me, as a Legislature, we have an opportunity to do something better for seniors than we have ever done in the history of this province. Yet some people are prepared to play petty politics with the bill, and I for one am not happy.

CRIME PREVENTION WEEK

Mr. Callahan: I am very pleased to rise and recognize the fact that this is Crime Prevention Week, most specifically with reference to my own constituency. There are three individuals who will be honoured this evening as a result of their efforts in this very worthy cause. I want to pay tribute to Robert Thomas, the individual who will be honoured this evening for his involvement in assisting victims, particularly victims of abuse, and in helping them through the trauma of testifying.

One of Peel's finest, Superintendent Barry King, will be honoured as well for his participation in a program to reduce impaired driving, particularly with reference to fatalities that arise out of it. I am very pleased to say that, as a result of this program, there has been a drop in fatal-accident statistics in the region of Peel. Len Jones, who is connected with CKMW in our riding, will also be honoured for his assistance on

a whole host of crime prevention programs and for the advice given through the radio station in many languages that recognizes the diversity of the cultural groups living in our riding.

I want to put their names forward as participants and leaders in Crime Prevention Week.

STABILIZATION PAYMENTS

Mr. Stevenson: I want to comment briefly on the answer the Minister of Agriculture and Food (Mr. Riddell) gave last week to one of his own members. The question related to the support through stabilization to beef and grain farmers, and farmers separating their operations to try to get both supports. The minister stated that the federal government did not support that splitting, but he did not state the provincial government's position. One would think in response to one of his own members, he would come clean to the farmers of Ontario.

13:44

STATEMENTS BY THE MINISTRY AND RESPONSES

NURSING HOMES

Hon. Mr. Nixon: I have a statement which would normally be made by the Solicitor General (Mr. Keyes), who cannot be present today and who has asked me to present it to the House. The statement is in response to the public concerns raised by a report entitled Crimes Against the Elderly in Institutional Care. The report was prepared by Toronto criminologist Birthe Jorgensen and contains allegations of criminal behaviour directed against elderly residents in Ontario nursing homes.

On Friday, the Minister of Health asked his cabinet colleagues to review the report with a view to determining whether an Ontario Provincial Police investigation was warranted. That review was begun immediately, and I am now able to tell the House an OPP investigation will be launched. A detective inspector of the OPP met with crown law officers and an official of the Ministry of Health earlier today to lay some of the groundwork for the investigation.

Because of the nature of the allegations, it is not possible at this point to say how long the investigation will take or how wide-ranging it will be, but I assure the members that every necessary investigative step will be taken to ensure that all the details are brought out and that all necessary steps are taken.

At the appropriate time, the Solicitor General will ensure that the results of this investigation are made known to the members of the House.

ECONOMIC AND FISCAL REVIEW

Hon. Mr. Nixon: As part of our continuing efforts to improve the prebudget discussion and consultation process, I am pleased to table today a paper, Economic and Fiscal Review: Province of Ontario, developed by staff of the Ministry of Treasury and Economics.

It has been prepared to assist the standing committee on finance and economic affairs, chaired by the member for Kitchener (Mr. D. R. Cooke), in its discussions relating to the 1987 budget. In the coming weeks, I hope the members of the Legislature and the general public will take the opportunity to provide the committee with their views on the budgeting priorities for the province.

The paper contains a forecast of Ontario's economic performance for 1987 and a review of economic prospects over the medium term from 1988 to 1990.

Ontario's overall economic outlook continues to be highly favourable. Treasury economists are forecasting real growth of 4.1 per cent in 1986 and 3.6 per cent in 1987. Growth is expected to average 3.1 per cent annually over the 1988-1990 period. Job creation is forecast to continue at a strong pace, with 114,000 new jobs in 1987 and an average of more than 100,000 further jobs each year over the next three years.

I should emphasize for the members and others who study the document that the staff projections of economic performance are not targets but forecasts derived from reasonable assumptions about our economic environment. Recognizing the dependence of Ontario's economy on external factors, the paper also contains alternative forecasts based on different assumptions about economic developments in the United States.

The review also provides the members with a detailed outline of Ontario's revenue and expenditure structure and recent fiscal performance. It includes sections on fiscal capacity and tax effort as well as on debt and debt financing. Two other sections are devoted to federal-provincial funding programs and provincial-local transfers.

The information contained in Economic and Fiscal Review will assist the members of this House and the general public in better understanding the context in which budget decisions are made. I am looking forward to advice from the standing committee on all these matters.

ONTARIO FINANCES

Hon. Mr. Nixon: I have an additional statement on the publication of Ontario Finances. I wish to draw the members' attention to the

second-quarter Ontario Finances report, which was released earlier today. Revenues for 1986-87 are forecast to increase by \$405 million over the budget estimates. This forecast is based largely on recent indications from the federal government that personal income tax revenues collected on behalf of Ontario for this year and prior years will be greater than originally estimated.

Part of the increased revenue has been allotted for such priority funding as agricultural support programs, health care programs and capital for economic development projects such as the General Motors-Suzuki assembly plant in Ingersoll, as well as infrastructure for the Toyota assembly plant in Cambridge.

A major portion of the increased revenues has permitted a reduction in the net cash requirements of \$107 million this fiscal year to \$1,437,000,000. As a consequence of this action, I now expect Ontario's borrowings this year from the Canada pension plan to be reduced by \$200 million from the original budget estimates to a level of some \$400 million, its lowest level in 18 years.

TRANSFER PAYMENTS

Hon. Mr. Nixon: I have a final statement. I would like to announce to the House the major transfer payments for 1987-88.

In the 1985 budget, I announced the government's intention to provide greater certainty in financial planning for our municipalities, hospitals, colleges, universities and school boards. I indicated we would announce transfer payment decisions to the major recipients early in their budgetary cycle so that they could plan effectively for the provision of adequate and efficient services. At that time, I also announced that these transfer recipients would receive a further four per cent increase in their basic transfer payments for 1987-88.

I am pleased to say today that the government is honouring these commitments. In fact, many transfer payments will increase at a higher rate to reflect population growth, work load and new priorities.

The total allocation for the operation of hospitals for 1987-88 will be increased by 7.4 per cent. Details of this increase in funding will be announced later this week by my colleague the Minister of Health (Mr. Elston).

Total funding for the operation of universities will increase by 7.3 per cent in 1987-88. The \$50-million excellence fund will be incorporated into our ongoing operating support to the

university community, which will increase base funding by 11.5 per cent.

The 1987-88 operating grants for colleges of applied arts and technology will grow by a total of 4.3 per cent. These grants will include \$60 million for the negotiated settlement for faculty work load. The colleges excellence fund will also be incorporated into our ongoing operating support to the colleges, which will increase base funding by 6.1 per cent in 1987-88. This funding represents an average annual increase of 10.9 per cent over the 1985-86 funding level. The Minister of Colleges and Universities (Mr. Sorbara) will announce the details of these increases today.

Provincial operating support to school boards will increase by six per cent in 1987-88. In addition, capital transfers will be significantly enriched to accommodate major pressures being experienced in some of our fastest-growing urban areas. Adequate resources will also be provided to complete the phase-in of the extension of funding to the separate secondary school system. The Minister of Education (Mr. Conway) will provide further details of the school board allocation this very day.

Transfer payments to municipalities will increase by five per cent in 1987-88. In addition, the \$30-million funding for local roads from the municipal improvement fund will be continued next year. My colleagues will be announcing the details of the specific municipal grant programs over the next few days.

I am particularly pleased to announce that the payment in respect of enrolment or resident place in certain public institutions such as psychiatric hospitals, universities and public hospitals, will be enriched by \$25, from \$50 to \$75. This increase will provide an additional \$9.2 million in 1987-88 to address a long-standing concern expressed by local government representatives.

These major transfer announcements will permit the government to continue to strengthen its partnership with local governments and with those who deliver major services on behalf of the province. This information will allow these organizations to accelerate their budget process.

In my capacity as Chairman of Management Board, I have asked my colleagues to ensure that individual recipient organizations are notified of their allocations as soon as possible following this announcement. I have also asked my colleagues to ensure that transfer payments are made in a timely manner.

FUNDING OF POST-SECONDARY EDUCATION

Hon. Mr. Sorbara: After that glowing introduction by the Treasurer—

Mr. Foulds: It is not a hard act to follow.

Hon. Mr. Sorbara: It is one I always enjoy following.

Since assuming office, our government has pursued its commitment to enhance post-secondary education in Ontario.

We have on numerous occasions during the past year reiterated our commitment to revitalize our institutions. The steps we have taken include significantly increasing the level of capital support, extending the university faculty renewal program to nine years and improving the Ontario student assistance program.

I have considered it my personal responsibility to visit as many college and university campuses as possible to elicit the views of administrators, faculty, students and support staff to determine the most appropriate means of following through on our commitment.

L'opinion des personnes consultées a servi, dans une large mesure, à préciser la méthode adoptée par le présent gouvernement pour aider les établissements d'enseignement à relever le défi que pose, en ce 20^e siècle, l'enseignement postsecondaire.

Nous avons demandé de nombreux avis sur la façon de déterminer le niveau et le type des subventions de fonctionnement dont les collèges et les universités bénéficieront en 1987 et 1988.

I am absolutely delighted to announce that the government will provide \$1,442,500,000 in university operating grants to Ontario's universities and related institutions in 1987-88. This amount represents an increase of \$148.7 million, or 11.5 per cent, over the 1986-87 base funding level.

The 1986-87 base funding of \$1,293,000,000 was supplemented by one-time special funding of \$50 million. When this special fund is taken into consideration and the balance is compared to the 1987-88 allocation, the resultant year-over-year increase is 7.3 per cent.

I would like to take this brief opportunity to provide the House with a brief summary of how the \$148.7 million in new base funding support will be allocated: first, \$51.7 million in keeping with the commitment regarding 1987-88 operating grants announced in October 1985; second, \$37 million to continue, as part of basic allocations, the teaching equipment and library acquisition fund and the faculty renewal fund, both of which were initiated in 1986-87; and,

finally, \$60.0 million in special allocations to recognize enrolment growth and promote accessibility, to encourage increased research activity, to address special needs in the north and to facilitate program adjustments.

These particular allocations have been determined in direct response to specific needs identified by the Ontario Council on University Affairs and the institutions themselves. Today I will be asking the council to advise on the distribution of these funds. I hope to be able to advise individual institutions of their allocations early in the next year.

For the colleges of applied arts and technology, there will be a 17.7 per cent increase between 1985-86 and this year's operating allocations of \$598 million.

In 1987-88, there will be a further 4.3 per cent increase on this significantly enlarged base. That translates into an average increase of 10.9 per cent for each of those two years.

In announcing the next year's operating grant increases, I would also like to take this opportunity to indicate that formula tuition fees in Ontario's universities and colleges will be held to an increase of approximately four per cent in 1987-88. This increase is consistent with the inflation factor reflected in the basic operating grant increase and will likewise be part of adjustments to the 1987-88 Ontario student assistance program.

I intend to announce details of the Ontario student assistance program and of the 1987-88 university and college capital support programs in the near future.

This government is committed to developing the full potential of our post-secondary institutions. I am confident that with the funding levels announced today we have turned the corner and are now well on our way towards creating a financial environment that will allow our institutions to contribute in a very significant way to the province's economic and social growth.

If we had a moment of silence in this House and listened very carefully, we could hear the cheers coming not only from our neighbours across the street, the University of Toronto, but also from every single institution in this province.

EDUCATION FUNDING

Hon. Mr. Conway: It gives me great pleasure at this time to announce the increases in provincial grants to Ontario school boards.

The figures I am about to share are evidence of the priority this government places on education.

After more than a decade of underfunding, this government has crossed a barrier and begun the process of rebuilding, but this reconstruction cannot be completed overnight. It must evolve surely and steadily, with each increase representing a positive step towards growth and renewal.

Therefore, I am pleased to announce an increase in provincial operating grants to school boards of 5.5 per cent, and six per cent if one adds the additional enrichments in the areas of educational technology, primary and junior science, and affirmative action initiatives.

Operating grants to the school boards will total \$3,401,900,000, an increase of \$177.7 million over the 1986 figure of \$3,224,200,000 billion. An additional \$13.5 million in grants will enrich educational technology, primary and junior science, and affirmative action initiatives.

In addition, the government has allocated \$163.5 million in 1987 for the continued extension of the separate school system, \$56.2 million more than last year. The government has also allocated \$147.2 million for capital projects next year, \$39.6 million more than in 1986 or an increase of 37 per cent.

Funding has been earmarked in three specific areas: the provision of new facilities in high-growth regions; much-needed renovations and additions to existing schools, and the provision of accommodation related to the extension of the separate school system. About \$30 million of the increase will be used for new school construction, the remainder for renovations and additions to existing structures.

Since this government took office in June 1985, the level of support for capital projects has more than doubled. The increases in both capital and operating grants are clear proof of the firm commitment of this government to excellence in Ontario education. I believe Ontario can point with pride to its elementary and secondary school system.

With the announcement of today's increases, the government is showing its continued support of this system. The additional funding will help ensure that a growing and thriving system becomes even better as we work to provide the best possible education for all our children.

Mr. Grossman: It is interesting to note today that the Treasurer (Mr. Nixon) has to fess up almost exactly to the amount of understated or hidden revenue that the Progressive Conservative Party indicated he was hiding in his budget last May. At that time, we indicated that a minimum of \$300 million was, shall we say, forgotten about. Today the Treasurer announces

\$405 million that he had forgotten about; so he has to fess up to that amount by today's date.

With an election coming, it is now interesting to note that he fesses up to \$400 million for six months. Our party has been saying for some weeks now that the Treasurer, given the economic growth, is expecting \$800 million; so we are right on track again. The Treasurer has a further \$400 million coming in for the balance of this year.

The other interesting thing to note is that the Treasurer continues to try to understate economic growth in Ontario. He ignores the fact that by his own submissions on the growth of gross provincial product, currently in the second quarter in Ontario it is growing at a rate of 5.6 per cent—the government members who have just applauded should wait a minute and listen to what the Treasurer says—while he says it is only 4.1. If it is growing at 5.6 per cent at present and the Treasurer expects it to be 4.1, he must be expecting a great economic slowdown in the next six months in order to justify his 4.1 per cent figure.

I want to say a couple of words about the disappointing decision the Treasurer has made with regard to the allocation of the hidden bonanza that we identified for him some time ago. I remind him that his announcement for hospitals this coming year—I say this in view of the fact that I presume the Minister of Health this time was not able to get the help of the Attorney General (Mr. Scott) in fighting his fight—contains the lowest increase in health care since 1979.

Let us look at university funding. First, the minister obviously succeeded not in getting more money but at least in getting the Treasurer to accept the proposal put forward by both the Progressive Conservative Party and the New Democratic Party that the excellence fund be folded into the operating grants. However, let us fess up to it. The reality is that the total funding for universities will increase by 7.3 per cent, hardly an increase at all, compared with the 1984 increase of 6.5 per cent, for example. With this incredible, admitted \$400-million bonanza coming in, what did the Treasurer have for colleges and universities but 6.1 per cent, which is almost 1.5 per cent lower than the amount given by the previous government two years ago in a situation a lot less critical for the colleges?

We should also have a look at the technology fund. I was intrigued to see in the expenditure fess-up this afternoon that the technology fund, which was announced at \$1 billion for 10

years—being \$100 million a year with \$50 million new money—now is off by \$7 million. Therefore, the \$1-billion technology fund for the current year is now \$50 million new money less \$7 million, which makes it \$43 million. We know where \$17.5 million went, do we not? It went to Mr. Schwartz.

That means the \$1-billion technology fund—the shining light, as the Premier (Mr. Peterson) calls it, into world-class fill-in-the-blank—now turns out to be not \$1 billion, not \$100 million, not even the \$50 million that we modestly expected might be available in new money this year, but after David and Abe, net new technology money this year is \$25 million, with the government getting \$2.6 billion in new revenues. That is a sad commentary on the Premier's new technological world.

Mr. Foulds: What we have been treated to today is a series of complacent and stand-pat statements. These are not stand-pat times, and there is no need for complacency.

The good news is that the Treasury and the government are making more money. The bad news is that the Treasurer is not doing anything creative or imaginative about it.

The Treasurer indicates that the personal income tax revenues are up. This means, for those who are working, that their incomes are up; but so are their taxes, and the individual continues to bear more than his or her fair share of the taxation burden in Ontario. It is scandalous that Ontario continues to collect \$112 million in income tax from people living below the poverty line in this province.

The individual personal income tax in relation to the corporate income tax, according to the Treasury's own figures, is a ratio of 72 to 28. That is up from where it was 20 years ago, when the individual paid 64.5 per cent and corporate income tax revenues paid 35.5 per cent.

Nowhere in the Treasurer's statement does he indicate that the increased revenues of the province should go to economic development in northern Ontario, where this very day the Premier is having a conference. We do not need conferences; we need economic development.

In his Economic and Fiscal Review, the Treasurer indicates, and takes pride in saying, that the government is creating 114,000 new jobs in 1987. When we compare that to the 325,000 people who are currently unemployed, 125,000 of whom are young people, it does not even make a dent.

This Treasurer had an opportunity to start building and developing a mature and new economy. That did not happen.

The transfer payments are up by 7.4 per cent to hospitals, 7.3 per cent to universities and a piddling 0.5 per cent to municipalities. Members have to understand that the inflation rate in Toronto today is five per cent; so the real increase is about 2.5 per cent to three per cent at the very highest, and the Treasurer knows that. There is a certain sleight of hand that ill behooves the Treasurer in all of this.

The Minister of Colleges and Universities (Mr. Sorbara) said that if we had a moment of silence we would hear cheers from the institutions of this province. I want to ask him and the Treasurer, will we hear cheers from the people? Will we hear cheers from the unemployed in northern Ontario? Will we hear cheers from those living below the poverty line who are paying income taxes? Will the parents looking for day care cheer? Will municipal taxpayers cheer? I say the answer is no.

Mr. Allen: I would like to respond to the statements of the Minister of Colleges and Universities and the Minister of Education and their announcements of grants, seconding the remarks of the Treasurer.

First of all, I wish to point out that both of those statements occurred at the end of a period in which the best calculation of what happened in educational finance for all sectors between the early 1970s and the early 1980s indicated that the provincial commitment to education had dropped massively and was substantially below the national average of funding in all sectors, whether one talks about elementary education, secondary education, vocational education or post-secondary higher education. As late as 1984-85, for example, in the elementary and secondary panels, we were below the national average by about \$423 per student; in the post-secondary sector, it was something in the order of \$1,300 per student.

What has happened, if one looks at it very carefully, is that while there was a funding level in 1978 that one could compare with 1983 or 1984 and reach a deficit or shortfall of about \$250 million in the province, those figures had not been substantially made up as of a year ago. What we see today with the post-secondary, university grants is a slight turning of the corner, as the minister said. However, when he said we are well on our way, I will be very interested to see the comparisons of provincial governments in the course of the next year to see whether we have reached any higher than seven out of 10 provinces in the average per capita allotment to post-secondary education.

14:15

ORAL QUESTIONS

PAY EQUITY LEGISLATION

Mr. Grossman: In the absence of the Premier (Mr. Peterson), my question is to the acting Chairman of Management Board and government House leader. I wonder whether he would reflect back on his leader's handwringing last week over Bill 105, the pay equity legislation. Will the House leader agree with me that the Premier could solve all these procedural problems if he were to lead his party in introducing the amendments introduced by the opposition party, thus getting the pay equity bill through and eliminating the procedural problems? Why will the government not do that?

Hon. Mr. Nixon: The honourable members know the announced policy of the government based on Bill 105 and on the companion bill, which the Attorney General (Mr. Scott) has indicated will be introduced to the House before the end of this calendar year. Bill 105, which covers pay equity only in the public service, is before the standing committee on administration of justice now, and we intend to supplement that with additional legislation.

The Leader of the Opposition will know that both opposition parties have introduced amendments that substantially expand the ambit of Bill 105 to the extent that the chairman of the committee ruled them out of order. The chairman's ruling has been reversed. It is a matter that will concern the House, or at least I hope it will concern the House, when the bill returns here as it must some time in the next few days or weeks.

Our policy is well known. We have the responsibility to govern. The opposition parties may deal with the bills as they see fit. My own feeling is that by reversing the ruling of the chairman on such an obvious section that was out of order, if there is any dislocation associated with this important legislation, the authors of it are the spokesmen for the opposition parties and not the government.

Mr. Grossman: There is one thing the government cannot avoid responsibility for; that is, acknowledging that if it were willing to introduce the amendments or support the amendments, the procedural problem would not be in place even if it is as he describes. Therefore, the government is relying upon its interpretation of procedure to thwart pay equity in the broader public sector.

My question for the government House leader is a very simple one. As Treasurer and as acting

Chairman of Management Board, will the Treasurer agree with me that all of Bill 105 could be applied in the narrow public sector without any legislation whatsoever but through the normal route that the government follows in making pay adjustments annually? It does not need Bill 105 to do the narrow thing the government and the Attorney General want to accomplish; it can do it internally in the government. Therefore, if the government is committed to proceeding, why does it not simply implement Bill 105, as it has full power to do internally in the government, and do it today and not wait another day?

Hon. Mr. Nixon: The honourable member must be aware, as we all are, that in the election campaign 15 months ago, this was a matter of some substantial concern. We in the Liberal Party and the supporters of the New Democratic Party supported the concept of pay equity; it was not precisely the same, but the thrusts were identical. It is something we have undertaken to bring before the Legislature by a government bill, which we are now doing.

Presumably, it would be possible for the government to raise anybody's pay in the public service in the way the member has described, but we feel it is a matter of important public policy. It is something that must concern all members of the Legislature and, through them, all the taxpayers in Ontario. We think this is the proper and democratic way to proceed in an innovation that we think is important and, in fact, liberal.

14:20

Mr. Grossman: The Treasurer will forgive me for suggesting candidly that the 29,000 women in the public sector who would be covered by his legislation only want to be sure they get equal pay and are not tied up with parliamentary procedure. They do not care whether it comes in this way or in the way in which they have traditionally been given wage increases; they only want their wages increased.

If the Treasurer decides to withdraw Bill 105 as a result of the temper tantrum his leader likes to throw when he does not get his way here, is he so committed to pay equity in the narrow public service that he is prepared to give a commitment this afternoon to the House to implement pay equity in the civil service prior to Christmas, either through legislation or directly by regulation, as he has the power to do, no matter what happens in the meantime?

Interjections.

Mr. Speaker: Order.

Mr. Grossman: It can be done for women in the public service, or is he going to back off and hide under a rock?

Mr. Speaker: Order.

Hon. Mr. Nixon: The Leader of the Opposition's commitment to pay equity was not enough for him to bring it forward in the election campaign but only to advise his predecessor in a deathbed repentance to put it in that famous speech from the throne that was stillborn. His own commitment to it is in many respects questionable, but ours is not. Our commitment is that it be done by legislation.

The funding for Bill 105 is in the budget at present, and we suggest to the Leader of the Opposition and anyone else who is listening that if they choose to hold up the bill, which is an implementation of government policy, then it is an extremely regrettable decision made by the opposition parties and not by the government. We want to proceed with pay equity in the public sector and introduce legislation extending it to the private sector. That is our plan. We invite their support.

Mr. Speaker: New question.

Mr. Grossman: Pay equity to the government members is like beer and wine: They want to talk about it, but they do not want it to happen. If they wanted it to happen, they would go ahead and do it.

Mr. Brandt: Talk is cheap. We want some action.

Mr. Grossman: We will talk about his leader's commitment during the election campaign to stopping Darlington too.

Interjections.

Mr. Speaker: Order. Does the Leader of the Opposition have a new question?

FUNDING OF POST-SECONDARY EDUCATION

Mr. Grossman: My question is for the Minister of Colleges and Universities, who embarrassingly said he was "absolutely delighted"—and I use his words; he is obviously easily satisfied—at the announcement today, which will mean about \$2 million in new dollars on average to the universities around this province next year, net over inflation. Does the minister take the position that an increase of \$148 million is enough for the universities in Ontario?

Hon. Mr. Sorbara: Talking about embarrassing moments, I recall the embarrassing moment the Leader of the Opposition experienced a few weeks ago at the University of Toronto, when he

finally had to acknowledge to all gathered there that 10 years of Progressive Conservative Party rule in this province had left our university institutions in a sorry state.

A year ago, I announced a \$50-million university excellence fund, which I described as a first step. We have now turned the corner with this second major initiative. Is more needed? In short, the answer to my friend the Leader of the Opposition is, of course.

Mr. Grossman: Would the minister like to be very succinct this afternoon and not answer the question I did not ask with regard to whether more is needed? Candidly, we all acknowledge that there will always be more needs and requests in the system, whether we are talking about hospitals, colleges, universities, health care or municipalities. We all understand that and respect it. We know it would be nice to have more.

The government's revenues are up by 9.6 per cent. The government has in hand \$2.6 billion worth of additional revenue that it has fessed up to. For 15 universities, which are as beleaguered as the minister describes them, he has been given \$148 million, or \$2 million above inflation per university. Does the minister say specifically that the \$148 million he has been given is enough for the university system? It either is or it is not. In our view it is not. What does he think?

Hon. Mr. Sorbara: There is the Leader of the Opposition's classic either/or question. Frankly, no such step was taken when he was Treasurer. No such step was taken by him when he was the Minister of Colleges and Universities. That \$2 million per institution will make a dramatic impact. In fact, the incremental funding goes very much towards the \$170 million he talked about and can spend freely as Leader of the Opposition.

If the Leader of the Opposition wants an answer to his question, he should ask the students, the faculty and the university presidents whether this is not an initiative that will turn the corner and keep us on a course towards revitalizing our institutions. I think there he will get the answer yes.

Mr. Grossman: They will not even find the corner with this amount of money, let alone turn the corner. Let me remind the minister that he is talking about a total of \$1.4 billion going into the system, and all his Treasurer has been able to find for him is \$2 million per university to add to \$1.4 billion. With respect, it is difficult to put out the proposition that \$2 million per university, where it is built on \$1.4 billion, allows them to get even

a glimpse of the kind of future they were begging the minister to give them at that rally last week.

Inflation will be 4.1 per cent next year. He has been given 7.3 per cent, an increase of three per cent above the rate of inflation. How much does that net out to when we deduct from that the \$24.8-million Board of Industrial Leadership and Development carrythrough that has been built into his budget and the \$17.6 million for the current year that is the BILD carrythrough in his budget? Can he give us the net figures for transfer increases when he takes out the BILD commitments from the previous government, which he is not adding to it?

Mr. Speaker: Order.

Mr. Grossman: Does he have that exact figure?

Hon. Mr. Sorbara: I have never seen such shameless use of statistics in all my life in this House. The Leader of the Opposition knows full well the BILD allocations are in respect of capital, and today we are talking about operating grants.

Mr. Grossman: He has lumped it all in.

Hon. Mr. Sorbara: We have not lumped it all in, and he knows that perfectly well.

Mr. Grossman: Of course he has. He lumped it all in.

Hon. Mr. Sorbara: Then he takes a global allocation of \$1.4 billion for all the institutions and compares it with what each institution will get individually. The facts speak for themselves. I announced today a \$148.7-million increment in allocations for operating the institutions. This is the best news they have heard in many years.

NURSING HOMES LEGISLATION

Mr. D. S. Cooke: I have a question for the Minister of Health regarding his draft amendments to the Nursing Homes Act. In case he does not have them, I will send him a copy. He has not yet had the guts to release those draft amendments to the public.

Can he confirm that his draft amendments, which are supposed to reform the nursing home system in Ontario, do not even refer to increased staffing levels in Ontario's nursing homes?

Hon. Mr. Elston: The amendments to the Nursing Homes Act, on which I have been consulting very widely, are designed to deal with problems concerning which regulations have been drafted in the past and found to be wanting, particularly with respect to ownership and concentration of ownership, but also dealing

with other matters that are necessary to upgrade the regulations and the act itself.

Within my mandate there are other areas or other ways to deal with questions of staffing, but I do not believe the particular sections specifically refer at any juncture to staffing.

Mr. D. S. Cooke: I do not know how the minister can talk about improving the quality of life in Ontario's nursing homes if he does not change the silly staffing provisions that currently exist in Ontario's nursing home system.

Can he also confirm that in these draft amendments to the Nursing Homes Act there is no bill of rights for the residents of Ontario's nursing homes and there is no independent advocacy procedure?

Hon. Mr. Elston: I can confirm that the draft amendments are just that. In fact, we have had a number of discussions about what should be included in those amendments. As recently as last Friday afternoon, we did speak with a number of advocates about changes to the amendments that we have circulated to those groups, including members of a number of consumer groups and the Ontario Nursing Home Association. We did discuss questions of the bill of rights and other sorts of opportunities, but those are not reflected in this draft.

Mr. D. S. Cooke: Can the minister further confirm that with regard to financial accountability, the only statement in his proposed amendments is that the owners will have to provide a statement of profit and loss for that fiscal year, which will be a completely meaningless provision of information to relatives, residents and members of this Legislature?

Finally, when is he going to introduce these amendments so that we can put proper amendments to his amendments forward, to improve this bunch of garbage that he is proposing to the residents of Ontario's nursing homes?

Hon. Mr. Elston: The honourable gentleman will know that this is not garbage. In fact, major steps are being taken to deal with problems that have been made evident over the past several months as we have had to deal with this system. We have indicated quite clearly there are problems with respect to ownership and concentration of ownership which we wish to be able to deal with under these amendments. There are other areas in which we wish to take steps forward. The provision for annual filing of information on financial matters is one of those items that I think will be of help to us.

There are a number of ways in which we hope to improve the quality of life in nursing homes.

These amendments will be of some assistance. The reorganization within our ministry will be another way of helping to improve those conditions. I can tell the people of Ontario that the manner in which we are providing extra funds through contracting for service with our nursing home operators will indeed increase the quality of care in those facilities.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: My question is to the Minister of Community and Social Services. It floats from the hunger conference held this past weekend. I should start by thanking him for the lunch that was provided by the government of Ontario. I only wish that he fed the people of the province as well as he fed us at the Park Plaza.

On Sunday, it was suggested by a number of delegates that each delegate should leave that place and that discussion and talk to his government representative about specific plans to eliminate hunger and the need for food banks over the next 18 months. What are the minister's specific plans?

Hon. Mr. Sweeney: The honourable member is well aware of the fact and has supported the initiative of the government to do a complete review of the social assistance programs in Ontario. It is our understanding that the report of that review will be available this coming spring. That is one fact.

Second, we did make significant increases in our rate structure in January. As part of our next year's package, we began in September of this year by giving additional dollars for shelter subsidies so more money would be available for food. In the next three or four days, I will be announcing the rate increases for the coming year.

I also remind the member that the Rev. Drainville, the conference chairman, indicated very clearly that this was the first step and that provincial governments, among others, would be doing a series of things, and those are some of them.

Mr. R. F. Johnston: The minister will know that many who go hungry and who go to food banks these days are children or the single parents of children on assistance. Too often these children become wards of the state through the frustration that falls upon the parents. Foster parents in Ontario who are given responsibility for those children can receive up to \$698 a month more to feed and clothe the three teen-aged children of a family benefits mother than that

mother would have for herself and all those children, including their shelter.

Why does the ministry think that foster parents might need as much as \$570 or more a month to raise each child properly, while it considers that a family benefits mother needs only \$100 a month? Is not one way of helping to stamp out hunger to recognize the real costs of family benefits mothers and perhaps to match in the rate increases what the government gives to middle-class parents to look after these kids?

Hon. Mr. Sweeney: The member will remember that in our 1986 rate increases were three or four very distinct increases directed specifically at children. That will be continued in the next one.

I point out to the member, however, that assistance to foster parents is a very specific and a very different program from the general social assistance program, and I do not believe it is appropriate to match the two. There is no doubt that single parents raising children need more money. There is no question about that. Additional money has been given and additional money will be given. This is a longer-term program, and we will continue to deal with the problem.

Mr. R. F. Johnston: I suggest somewhat ironically that perhaps we should make all single recipients foster parents so they can meet their budget needs.

Does the minister ally himself with the government's official representative at that conference, the member for Brampton (Mr. Callahan)? Although he could not be there for the day of solutions, he wanted to get his solution for replacing the food banks on record with the suggestion that there be co-op retail outlets only for the use of social assistance recipients, who would then be able to purchase excess produce from the various marketing boards around the province.

Hon. Mr. Sweeney: I have not had an opportunity to discuss the proposal of the member for Brampton with him. I would point out to him, however, that there are some low-income parent co-ops in this province. There is one in my neighbouring community of Cambridge, which is assisted by this ministry. It is not the only answer by any means, but if a group of low-income parents wants to start a self-help project, we have indicated we will help with that, but it is not a replacement.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Gregory: I have a question for the Minister of Transportation and Communications. In the proceedings of the standing committee on public accounts last week, as well as in the standing committee on general government dealing with his estimates, it was stated that \$3.5 million was paid out in severance to the 71 employees terminated by Lavalin, subsequent to Lavalin's purchase of the Urban Transportation Development Corp.

14:40

Since it was Lavalin that decided to terminate these employees, Lavalin should have paid the \$3.5 million, not the taxpayers of this province. Can the minister tell this House why the taxpayers of Ontario, through their provincial government, funded this payout, and not Lavalin?

Hon. Mr. Fulton: As the member for Mississauga East well knows, the windup of any operation is taken from the incoming revenue, the accounts receivable from that operation. That is certainly the case in the payout of severance pay to the 71 former employees of UTDC.

Mr. Gregory: Obviously, the minister neglected the main point of my question.

As a supplementary, since the closing of this deal, we have learned about a number of lump-sum payments by the province that were required to consummate the sale. This, I might add, is just one of them.

Considering the increase the province is having to pay to Lavalin to be rid of this corporation, is the minister now admitting that the government, through its fire-sale mentality, made a bad deal and one that has cost the taxpayers dearly? Is the minister readily admitting that, on closing, Lavalin gave the government \$10 million, and then the government spent \$3.5 million on the employees terminated by Lavalin?

Hon. Mr. Fulton: We have been through this question on UTDC on more than one previous occasion. The members of the opposition on that side do not seem to understand that there is revenue coming in from the seven outstanding contracts from the old UTDC. From that outstanding revenue, all of these lump sums and other payments are made from that incoming revenue to the old UTDC.

TOXIC CONTAMINANTS

Mrs. Grier: I would like to ask a question of the Minister of the Environment about the

Niagara River. The minister will agree, I am sure, that the most serious threat to the health of the residents of Ontario is the potential of the Hyde Park dump site to flood Lake Ontario with dioxins. The minister has now been in office for 16 months and he has been no more successful than any one of his predecessors in getting the United States government to excavate that dump site.

Can the minister explain why his ministry has continued to go along with the interminable four-party negotiations and monitoring, and why he has refused to take independent legal action against Occidental Chemical, as I asked him to do several months ago?

Hon. Mr. Bradley: The question is in two parts, as I see it, the first dealing with the Hyde Park site. As the member would be aware, on many occasions—both on this side of the border and on the other side of the border and in my discussions with Henry Williams, the Commissioner of the Department of Environmental Conservation of New York state—I have indicated clearly and publicly that we in Ontario believe the site, which was a toxic waste site at Hyde Park, should indeed be excavated. In that connection we provided funding—I believe it was \$25,000—to assist, along with the federal government, in providing funding to the Pollution Probe consulting firm investigation and report which, in our view, should point to the fact that the excavation of that site is a viable option.

The Americans, while not entirely and completely ruling out that option, have not described it as a favoured option at this time. We continue to indicate clearly that particular position to them, and we have a number of people on the other side of the river who are sympathetic to the position we have enunciated on many occasions.

As to the four-party agreement or discussions that the member indicates we have been involved in, it would be highly irresponsible for us to cut off those discussions and negotiations completely. As she would be aware, a minor advance was made this past week in that there was a technical agreement to proceed with some monitoring and evaluation, which ultimately would lead to the abatement.

The member is also aware that I am not satisfied that this is a sufficient step to deal with the problem of solution, except that it is the first step.

Mr. Speaker: I suggest it might be helpful if individual members did not ask two- and three-part questions. It actually took a little more

than two minutes to get a response to the two questions.

Mrs. Grier: I asked a simple question: Why had he not taken legal action? If he intends to answer two different questions, all of which he has answered before and all of which amount to rhetoric instead of any commitment to action, I do not think I should be penalized.

Interjections.

Mr. Speaker: I recognize the member with a supplementary.

Mrs. Grier: We have heard it all before. We have heard that he wants excavation. We have heard that he supported other groups in intervening. We now have a respected scientific journal, *Environmental Science and Technology*, saying that within two years of a gush of dioxins in the Hyde Park site, the whole of Lake Ontario will be contaminated. We want to know why the minister is not meeting with Governor Cuomo, shouting to the federal government that it is not good enough and intervening on behalf of the people of this province in an independent legal action to get some cleanup.

Hon. Mr. Bradley: I was under the impression that I was the only one who was suffering from high blood pressure, but after the put-down, if that is what it was, of the Speaker's ruling, perhaps I share that with the critic from the opposition.

As to the information that will be forthcoming from the investigation and report we are funding in conjunction with the federal government, the Pollution Probe initiative in this regard, we feel some significant ammunition will be found in the report that will assist us in any court case. As the member will be aware, up to this point, court cases have not been exceedingly successful and in the United States tend to be long and drawn out. I wish I could meet with Governor Cuomo. He is involved in a campaign at the present time and some may wish him well. I will not inject myself into that campaign.

I assure the member that we will take any and every effective action to continue to persuade our American friends of the benefits of undertaking the activity we have described.

PROPERTY ASSESSMENT

Mr. McFadden: I have a question for the Minister of Revenue. The minister will know that Metro council has given what could be described as its qualified endorsement of the implementation of market value assessment. The council has indicated it wants further studies done on the

implications of moving to market value assessment. Given the minister's previous comment that he will not release individual assessment reports until after council has agreed to such a reform, will the minister please tell the House when we may expect these individual assessment reports to be released to the public and to this House?

Hon. Mr. Nixon: I am very glad about the action taken by Metro council. I know they worked many long hours to come up with the resolution that indicated qualified support, which I thought was very satisfactory indeed.

I have pointed out previously that to make available house-by-house or property-by-property assessments would mean that anybody who had an assessment higher than was projected in the reassessment might have grounds to go to appeal and that we considered it unwise and not in the best interests of the ratepayers of the city of Toronto—

Mr. Harris: Share the information.

Hon. Mr. Nixon: Okay, but I am trying to explain what the problem is. It would really depreciate the tax base of the various cities in Metropolitan Toronto. It has no effect on revenues for the province whatsoever.

I have spoken to the Metro chairman since that time and our people are meeting with him. I want to make available anything that can possibly further the studies and the work that is going forward in support of the move to market value assessment. For the reason I have tried to make clear, please do not take the idea immediately that we are somehow keeping back information that should be made public. If the members representing the ratepayers in that area feel the information should be sent out publicly, I will be glad to know that.

Mr. McFadden: The proposed tax reform could have a tremendous impact on a lot of home owners, as the Treasurer and Minister of Revenue is well aware. Many people could face very substantial tax increases. Surely this information should be made available to the public. Will the minister agree to release the information before the end of the study period that has been undertaken by Metro council, so that the taxpayers in Metro can have an idea about the impact this reassessment would have on their individual properties?

Hon. Mr. Nixon: I think most of the officials of Metropolitan Toronto share my concern that the information on a house-by-house basis would be counterproductive in that it might very well

lead to a dislocation of the tax system, but all this information is available on the basis of regions and ranges which can give a clear indication of the numbers of people whose assessment would be raised and those whose assessment would be reduced. We are quite prepared to make all that information available to the tax officials of Metropolitan Toronto.

INSURANCE RATES

Mr. Swart: The Minister of Financial Institutions will know that last week the Ontario Hospital Association decided to self-insure its members. It did that because of an eightfold increase in premiums to the hospitals over a two-year period when there was very little increase in payout. Will the minister ensure that the necessary backup of reinsurance is available, either through an arrangement with the current reinsurers or through provincial government guarantees, so the proposed hospital plan can be a success and save the government and the people of this province many millions of dollars?

Hon. Mr. Kwinter: The member for Welland-Thorold will know that as a result of the Slater committee report, and even prior to that, we had indicated through my ministry that we would help groups such as school boards, hospitals and municipalities to set up reciprocals, and we have given them information on how to do it. To date, both the boards of education and the hospitals have seen fit to make their own investigations and they have decided they want to proceed with the reciprocals. That is their decision, and to date no representations have been made to me for any sort of assistance. Until that happens, I cannot really respond.

Mr. Swart: What the minister has said is that he is not prepared to give any guarantee. Now that the hospitals have got themselves out from under the avarice of the private insurance companies—the minister admits it was through their own initiative, not his—what does he suggest an organization such as the Phyllis Griffiths Neighbourhood Community Centre in Scarborough should do? Although the centre has had no claims whatsoever, it has been unable to get liability insurance after trying for six months. It has cancelled baby-sitting, gymnasium, pre-school nursery and children's ballet programs, programs for seniors and so forth.

Does the minister not think the thousands of horrendous situations such as the one that exists at the community centre dictate that he intervene and either regulate the rate of the current insurance companies to an affordable level or, as

he has been asked to do by two of those directors, set up government insurance for these volunteer organizations?

Hon. Mr. Kwinter: Contrary to what the member said, that I refused to help the hospitals, I have not been asked to do anything for them; so there is no reason for any response.

To get back to the last point in the member's question, he will know that through the good offices of my ministry we were able to set up the Ontario liability insurers, which has been very successful, and I do not know of a single incident where insurance was not available; I do not know of one. I keep hearing these stories, and when we check them out we find insurance was available but they decided not to avail themselves of it. If the member can bring to my attention a case where they cannot get insurance—

Mr. Swart: I just did.

Hon. Mr. Kwinter: If the member will send me the details, I can probably guarantee that the Ontario liability insurers can find them insurance.

Mr. Ashe: I also have a question for the minister of beer, wine and financial institutions. He may have heard of an excellent service centre in Durham region called the Durham House Child and Family Centre, which happens to be domiciled in Oshawa. This institution, like many others—I understand there are about 1,800 similar agencies throughout the province—has had great difficulty with liability insurance to the point that many of the directors feel they will have no alternative but to resign very shortly unless the problem is resolved.

For example, on the recent renewal of the centre's liability insurance, not only did the rates go up substantially, which is par for the course, but also two exclusion clauses were put in that the board of directors feels are untenable; that is, a child molestation exclusion clause and an athletic participation exclusion clause.

Mr. Speaker: And the question is?

Mr. Ashe: An institution cannot operate with those kinds of exclusions.

Mr. Speaker: Question, please.

Mr. Ashe: What is the minister doing about this situation and approximately 1,800 others in the province?

Hon. Mr. Kwinter: My previous answer applies in many cases to the situation the member has brought to my attention. There is no question that when insurance companies look at the situation of child molestation, they get very nervous; it is something they have little control

over, and many of them provide exclusions. Notwithstanding that, I say to the member as I said to the previous questioner that to my knowledge there is not a single institution in Ontario that cannot get that kind of insurance. It may not be happy with the rate, but the insurance is available. If the member will bring it to my attention and give me the details, I will be happy to pursue it for him.

Mr. Ashe: That is like saying if somebody cannot afford to drive a bicycle, we will provide a Cadillac as long as he can handle the payments.

So far, the Ontario liability insurance association has said it might be able to get \$250,000 of coverage for child molestation and \$1 million for athletic participation. The board feels, and I understand this is general throughout the industry, that \$2 million is the absolute minimum that is required. The minister may think he is solving the problem, but he is not. What is he going to do about it?

Hon. Mr. Kwinter: The member has just brought to our attention exactly the situation. There are boards that have arbitrarily decided, "Insurance is available at a specific level, but we want more and we do not want to pay any more for it." That is a decision they have to make. If no insurance is available, and child molestation is a perfect example, then there is a problem, but it is available. It may not be available at the level they want and at the price they want to pay, but that is something each group has to determine on its own. It is a business decision.

LEAD LEVELS

Mr. McClellan: I have a question for the Minister of the Environment arising from the study of soil-lead contamination in the neighbourhood of Toronto Refiners and Smelters. The minister knows that the September 1986 report indicates that average soil-lead concentration in the neighbourhood of Toronto Refiners and Smelters more than doubled from an average of 5,090 parts per million in 1980 to 11,745 parts per million in 1985.

Will the minister explain why, during this period in which soil-lead readings went up by 126 per cent, officials from his ministry consistently and repeatedly informed the residents who live around Toronto Refiners and Smelters that there were no risks, no hazards and no serious contamination problems from the plant? Why did officials attend community meetings and tell the residents these things when they knew they were not true? Why did they write these things in letters when they knew they were not true?

Hon. Mr. Bradley: The member originally raised this matter in the House last week in the form of a statement. I look for statements in Hansard, and I am attempting to track down some of the information the member brought before the House. I am making some inquiries internally within the ministry.

I know the member is going to supply me in the relatively near future with some supplementary written information that will guide me in attempting to ferret out precisely the instances in which these pieces of information were brought forward to the people in the neighbourhood. I look forward to receiving that information in a letter I know the member will be sending to me. We always want to be assured that the information provided in the past has been factual.

15:00

Mr. McClellan: I have sent the letter to the minister. To be specific, at a meeting of the Niagara Neighbourhood Association on October 26, 1984, the ministry, with a number of officials present, advised the residents not to be concerned, despite the fact that it turned out there had been four violations in the previous month, September 1984.

I can go on chapter and verse to document that his officials advised the residents of the neighbourhood that they had nothing to worry about and should not have any concerns; that the pollution was under control and they were not at risk. I want a full report from the minister on how the regulatory agency can engage in the systematic process of disinformation over a period of five years. I also want to know now what his ministry intends to do to protect those residents.

Hon. Mr. Bradley: On the first point, I have indicated to the member that I am prepared to gather the information he seeks. I have not yet seen the letter he has sent. When I do see it, it will provide some guidance as to the specifics of this. I will also investigate precisely what information was provided at the meeting of October 26, 1984. As I say, first of all, we want to ensure that the information provided all along has been factual, and where it has not been factual, to indicate that.

Second, in terms rectifying of the situation, there are a few avenues of action of which the member will be aware; one of them is to continue the efforts to abate the problem that exists at the company itself. The member will know that a program approval was in effect this summer under which certain activities were undertaken as required by the Ministry of the Environment and that further action will be taken during the shutdown of the company in December 1986.

Mr. Speaker: New question.

Hon. Mr. Bradley: In addition, there will be soil removal and other activities.

Mr. Stevenson: I have a question for the Minister of Agriculture and Food (Mr. Riddell), if he is in the wings.

Hon. Mr. Bradley: Did the member watch him on TV last night?

Mr. Stevenson: No. I missed him.

Mr. Speaker: Is there another member wishing to ask a question?

AFFORDABLE HOUSING

Mr. Rowe: I have a question for the Minister of Community and Social Services. This week-end in Barrie, a mother had to give up her four children, three of whom went to the children's aid society, so she and her husband could find housing. What is the government going to do to ensure that the children of this province have adequate housing and that families are not forced to give up their children to find shelter?

Hon. Mr. Sweeney: I am not aware of the case the member is bringing to my attention, but I draw to his attention the fact that my colleague the Minister of Housing (Mr. Curling) made an announcement a few short weeks ago that an additional 3,000 units would be made available for people who were in these kinds of circumstances. Those units will be coming on to the market as quickly as possible.

Mr. Rowe: That does not do a lot for this mother and her children. As a matter of record, five other families in the city of Barrie may also have to give up their children to find housing. Today, we learned about there being \$400 million in excess revenues in six months, yet in 1986, we have mothers giving up their children so they can find housing. What is the government going to do about it?

Hon. Mr. Sweeney: The member will recall that my colleague the Minister of Housing announced 6,000 units last year, and I have just indicated 3,000 additional units have been put on the market. We are co-operating with a number of municipalities with respect to emergency housing. We have winter emergency housing programs all across the province, but the member surely realizes this is not something one turns on or off overnight.

ACCESS TO CHILDREN IN CUSTODY

Ms. Gigantes: My question is for the Attorney General. The Attorney General and his top ministry staff have recently been sharing with the

press a new governmental concern for the enforcement of access rights for noncustodial parents. Will the Attorney General share with us the reason both he and the Minister of Community and Social Services (Mr. Sweeney) have refused funding for the organization called Access for Parents and Children, which is the only organization in Metro Toronto providing supervised access programs for families in which access has become a battle and the children have become pawns?

Hon. Mr. Scott: The honourable member is correct. We are looking at methods within the jurisdiction of the province—we have no control over orders made under the Divorce Act—to ascertain whether access cannot be made more easily available and whether remedies cannot be available that are more appropriate when access arrangements fail. As the member will know, my ministry is not a line ministry that funds agencies of the type she describes, although I am familiar with the work of the agency to which she refers.

Ms. Gigantes: The Attorney General is proposing to change our legislation to make life more acceptable and easier for a kid whose family life has been broken up and where an access battle has developed, but at the same time he has not taken enough care to make sure the Minister of Community and Social Services, with whom he works in the cabinet, is providing funding for an existing program that is now threatened with closure because there has not been government funding. The United Church has become the funder of last resort for hundreds of families.

Hon. Mr. Scott: I am delighted the member is supportive of the legislative scheme we are considering. It is very useful to have the support of the odd opposition member in matters of this type so we can finally get something done around here, and I am grateful for her help.

As the member knows well, the Minister of Community and Social Services and I talk regularly about these matters. He is very conscious, as I am, that worthwhile groups which make a contribution should be supported in so far as we can do so in terms of fiscal responsibility, and she will be glad to hear we will continue to take that attitude.

FLOODING

Mr. Brandt: I raised a question with the Minister of Municipal Affairs about a week ago, with respect to the problems of high water in communities at particular locations along the Great Lakes. Because the most recent reports that

have come in within the past few days indicate further record highs for high water, is the minister working co-operatively with his ministerial colleagues to look at an emergency fund to help municipalities and others who are affected by these totally unprecedented high water levels?

Hon. Mr. Grandmaitre: The answer I gave to the member for Sarnia (Mr. Brandt) a couple of weeks ago still stands. Yes, I am working on a long-term program, and I indicated to the member that we have extended the existing program until the end of March 1987. I cannot control the waters, but we have not refused any municipal or township demands, and I am still interested in knowing more about any municipalities that complain to the member.

Mr. Brandt: I do not want to sound parochial by suggesting that only my municipality has problems. Municipalities up and down the Great Lakes are being critically and seriously affected by the high water problem, and the total loss of a road is now imminent in one of the municipalities I represent. The municipality has written it off, and there is no way of saving that road. We are faced with a critical situation that is unprecedented in the history of Ontario. These are historic high water levels that we have never experienced at any time previously.

Will the minister consider a new program, something that will respond, not in the long term but immediately, to the problem we are faced with at present? Something that comes up in a year or two years from now will not be adequate to serve the needs of the people who are being affected today.

15:10

Hon. Mr. Grandmaitre: As I mentioned before, the ministry has never refused a municipal demand at present. I am consulting with the Minister of Natural Resources (Mr. Kerrio) to come up with a long-term solution to these problems, but I repeat, we have not turned down any municipal requests for roads or whatever the case may be. I am asking my colleague again to provide me with all his information, and I can guarantee that we will respond adequately.

ADULT EDUCATION

Mr. Allen: I have a question for the Minister of Education on a rather precise aspect of educational finance. He will be aware that the public boards of this province provide the bulk of, and in some cases all, the adult education programs that take place in many communities. Certainly, that is true in Toronto. Indeed, the

public board of the city of Toronto itself has more adult students than it has nonadult students.

In the wake of Bill 30, Catholic adult education and adult re-entry students in the system in Toronto and greater Toronto are having to meet some new requirements by the public boards by way of having to declare their religious affiliation, then having to meet additional, sometimes multiple course fees and costs for their programmes.

What does the minister propose to do about this form of double discrimination that is creeping into the adult education programs in the public boards?

Hon. Mr. Conway: As I have indicated to the honourable member on a number of occasions, this government is very supportive of expanding the base of the opportunities in the area of adult education. We have said throughout the discussion, with respect of the bill to which he makes reference, that we wanted the separate and the public systems to expand their activities in this area. We have provided additional funding for that to take place. Obviously, we have said in the legislation, Bill 30, with the support of the committee, that we want a policy of open access to characterize the student admissions policy of both boards. We would expect that to take place at the adult education level as well as elsewhere in the secondary panel.

I certainly want to suggest to the member that we will be very anxious to look at any information he might care to provide to ensure that in this period of transition those government objectives are met.

Mr. Allen: The minister will recall that in recent years the past administration reduced its commitment to all adult education in the system as a whole and, therefore, the boards have some problems financing those programs. Second, those boards are not allowed to charge properly for credit courses, for literacy courses, for English-as-a-second-language courses and for French-as-a-second-language courses. Surely he is not suggesting it would be proper for a double system of fees to develop in the public boards based on religion and thus provide pressure for duplication in the separate system of re-entry programs and so on, a duplication that really is unnecessary.

Surely it is improper. It is certainly invidious for the public boards to ask the religion of registrants. It is foolish to virtually require that duplication and unfair to the public boards for them to have to bear the full burden of the cost. Can the minister not move in and meet some of

that additional cost to those boards so that those unfortunate developments do not happen?

Hon. Mr. Conway: I want to say to the member that we have tried to the best of our ability over recent months to expand the opportunities for school boards in this area of adult education. My colleague the Minister of Colleges and Universities (Mr. Sorbara) and I have both been involved in a number of new initiatives—with respect to literacy, for example—and we have made changes within the general legislative grant that we believe are an important step forward.

We do not want to see unnecessary duplication. We do not want to see anything but a harmonious relationship between boards in the interests of all the students. We want to see the most equitable financial treatment of students and boards in this connection. I repeat, if the member has specific information he would like to share, I know he will be aware he will have that opportunity in the very near future. I look forward to receiving the information.

PETITIONS

NATUROPATHY

Mr. Callahan: I have a petition on behalf of the Minister of Transportation and Communications (Mr. Fulton).

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is my constitutional right to have available and to choose the health care system of my preference;

"And whereas naturopathy has had self-governing status in Ontario for more than 42 years;

"We petition the Ontario Legislature to call on the government to introduce legislation that would guarantee naturopaths the right to practise their art and science to the fullest without prejudice or harassment."

SUNDAY RACING

Ms. Bryden: I have a petition opposing Sunday racing at Greenwood Race Track. It is signed by 67 persons from the riding of Beaches-Woodbine and it reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas the Ontario Racing Commission in its hearing into the Ontario Jockey Club applica-

tion for Sunday racing at Greenwood Race Track has ruled that it does not have the jurisdiction to hear the concerns of residents surrounding the aforesaid racetrack;

"And whereas many residents have shown their concern with the impact of Sunday racing at Greenwood Race Track on their neighbourhood and have indicated their wish to voice that concern;

"That the government amend the Racing Commission Act to ensure that the rights and concerns of residents in the neighbourhood of the racetrack and in the surrounding community be considered and protected by the Ontario Racing Commission in setting racing dates, times and schedules;

"Further, that the legislation provide that the long tradition of no Sunday racing at Greenwood Race Track be maintained."

I support this petition.

REPORT

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. McKessock from the standing committee on general government reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Transportation and Communications be granted to Her Majesty for the fiscal year ending March 31, 1987:

Ministry administration program, \$39,179,500; policy planning and research program, \$8,475,000; safety and regulation program, \$72,372,000; provincial highways program, \$436,802,000; provincial transit program, \$88,000,000; provincial transportation program, \$6,282,500; municipal roads program, \$442,429,000; municipal transit program, \$307,398,000; and communications program, \$2,273,000; and

That supply in the following supplementary amount and to defray the expenses of the Ministry of Transportation and Communications be granted to Her Majesty for the fiscal year ending March 31, 1987;

Ministry administration program, \$5,000,000.

Mr. Breagh: On a point of order, Mr. Speaker: Can we adjourn for 10 minutes until the government gets somebody in here to call the orders of the day?

House in committee of supply.

ESTIMATES,
MINISTRY OF TREASURY AND
ECONOMICS

Mr. Chairman: Before we start—

Mr. Breagh: On a point of order, Mr. Chairman: May I inquire just which minister of the crown is carrying these estimates at the moment?

Mr. Chairman: I am looking around with that in mind. Is there an answer from the government benches?

Hon. Mr. Conway: Mr. Chairman, I am going to have to accept the earlier advice that we take a brief recess while we find the government House leader, who has been called out to—

Mr. Barlow: The minister is speechless. I do not believe it.

Hon. Mr. Conway: Yes, I am speechless.
Interjections.

Mr. Chairman: Order. Before this gets into any kind of a circus, Mr. Conway has moved that we have a 10-minute recess. Is it the pleasure of the committee that the motion carry? Carried.

The House recessed at 3:21 p.m.

15:30

Mr. Chairman: We are here for the estimates of the Ministry of Treasury and Economics. Before we start, how does the committee wish to proceed? Does it wish the time allocated between votes and items, or does it wish to do everything remaining under vote 1001, item 1, and carry all votes and items at the end?

Mr. Ashe: I suggest it is easier for all concerned, including the Treasurer (Mr. Nixon), I hope, for all the items to be discussed under the one item in its broadest sense and the votes taken at the end.

Mr. Chairman: Does the committee wish to carry them all at the end? Yes.

Approximately how long is the Treasurer's statement? Twenty minutes to a half-hour?

Hon. Mr. Nixon: Or shorter.

Mr. Chairman: That is fine. I presume the critics have approximately the same, more or less. I am trying to ensure we have time for noncritics and nonministers to ask some questions before we run out of time.

On vote 1001, ministry administration program; item 1, main office:

Hon. Mr. Nixon: I am very glad the House arranged for me to have a few moments to meet the press after my statements on the allocations earlier today. It is quite important that the press

have the critics and the minister available in matters of that import. That the House had to adjourn for 10 minutes is inconvenient, but it is worth while and I appreciate it.

It is my pleasure as Treasurer and Minister of Economics to present the estimates of the ministry for the first time. Earlier this afternoon, in tabling the Economic and Fiscal Review, I reported that Ontario's economy is performing well and that the ministry's projections for economic growth continue to be optimistic for the medium term.

At around seven per cent, Ontario's unemployment level is among the lowest in Canada and should continue to drop. One of the most encouraging signs is the country's stable inflation rate, which is projected to stay at four per cent this year. We expect an even lower rate next year. Moreover, the prime interest rate, another key economic indicator, is currently under 10 per cent for the first time since 1978. However, real growth is what makes the wheels turn, and ministry staff are projecting a real growth rate of 4.1 per cent this year in Ontario.

This generally favourable economic picture does not apply to all parts of the Ontario economy, however, or to all parts of the province. One of this government's first actions after taking office was to set up a cabinet committee on northern development. Several initiatives for the north and other areas facing economic hardship have been brought forward since that time.

Ontario must also take note of the serious economic problems being experienced in other regions of Canada. This province recognizes its responsibilities to a strong Confederation. We realize that we must put our own strong performance in a national context and that national co-ordination on key economic issues is critically important.

I want to mention as well the continued depressed economic factors in the agricultural community, of which I am one of several representatives in this House. Our programs through the Ministry of Agriculture and Food are designed to improve that situation.

I have the opportunity to meet regularly with the provincial and federal finance ministers to discuss these matters, and I attended one such meeting last week in Edmonton.

Some of Ontario's concerns are already on the federal agenda. These include the proposal for international banking centres, proposed federal cuts in social transfers, the business transfer tax and tax reform in general. As I have emphasized

on earlier occasions, we are also very concerned about major items not yet explicitly on the federal-provincial discussion list, such as child care and the reform of the financing of social programs.

Since becoming Treasurer, I have stressed that a major issue for Ontario is the federal approach to cutbacks in established programs financing in support of health care and post-secondary education. Changes in the EPF arrangements will reduce Ontario's revenue by \$114 million this year and by close to \$2 billion over the next five years. These transfer cuts will weaken the partnership under which the federal government is committed to share substantially and equitably in the financing of health and post-secondary education programs that the provinces deliver.

I support the federal initiative on tax reform, having stated in the May 1986 budget that a thorough review of the entire tax system was necessary. Mr. Wilson's recent announcement of guidelines for comprehensive tax reform indicates his ongoing commitment to this important area. It should be kept in mind, however, that any consideration of fundamental changes in our tax system cannot take place without examining the issue of how taxes are shared among levels of government.

If the provinces are to continue to deliver major programs to people, we need a commitment from the Minister of Finance that tax reform will not produce further provincial revenue cuts. We will continue our ongoing dialogue with Ottawa and the other provinces on these important matters and work closely with them in the best interests of Ontario taxpayers.

I expect most of our taxpayers will agree that it is sound business practice to pay today for the things consumed today. As Treasurer, my approach to the province's financial affairs is to pay as you go and to borrow for long-term capital projects of benefit to future generations of Ontarians. To plan in a businesslike way, our balance sheet must reflect the true state of our financial affairs. That is why I removed from Ontario's books the more than \$2 billion in financial assets that did not represent any real value other than to reveal what the province owed to itself.

The steps we took to put an end to pocket-to-pocket bookkeeping involved a number of agencies, including the Ontario Land Corp. and the Ontario Development Corp. as well as our public hospitals and various water treatment and control facilities. We also removed from the province's balance sheet the equity holdings of

four major crown corporations, the Ontario Development Corp., the Ontario Energy Corp., the Urban Transportation Development Corp. and the Liquor Control Board of Ontario. In the case of Suncor, the recorded investment for Suncor shares was written off and the note repaid.

To reduce the cost of government, we also wound down the Inflation Restraint Board, the Ontario Economic Council and the Board of Industrial Leadership and Development. In discontinuing the IDEA Corp., we promised to give taxpayers better value for their tax dollars by replacing the former operation with one more tightly focused in the pre-venture capital area and centred on the Ministry of Industry, Trade and Technology.

We are making radical changes in the way Ontario's financial affairs are managed. The main thrust of this has been to bring a more comprehensive approach to capital expenditure planning by the various ministries. In future, each ministry will submit a multi-year capital plan to identify its needs and report the impact of new capital spending on future operating costs. These plans will be updated annually and reviewed to ensure that they are consistent with overall government objectives.

Our policy to finance net cash requirements from internal sources remains unchanged. In a statement earlier today dealing with the second-quarter Ontario Finances report, I noted that our net cash requirements are being reduced by \$107 million this fiscal year. The reduction in our financing needs will be reflected in lower Canada pension plan borrowings; in fact, the lowest level of borrowings since 1968-69. Further, we are repaying more than \$300 million in maturing loans from the CPP. As a result, Ontario's debt to the plan will show little or no increase in 1986-87.

On the other hand, spending pressures continue to persist, especially in the area of social services. Nevertheless, we are continuing to focus our efforts on controlling the government's operating account.

15:40

In terms of our objectives, this government has placed increased emphasis on health care and education. Significant measures are being taken to support our commitment to these urgent priorities. As members are aware from the statement I made today on major transfer payments, the total allocation for hospitals will be increased by 7.4 per cent in 1987-88, and provincial operating support for educational

institutions will be increased by substantially more than the four per cent originally promised in October.

At this point in the proceedings, I would like to take a moment to highlight some current activities and initiatives taking place within the Ministry of Treasury and Economics.

The ministry has three line divisions, an administration program and four agencies. To promote effective utilization of resources, Treasury provides a range of general administrative services to the Ministry of Intergovernmental Affairs, the Ministry of Energy, the Management Board secretariat, the Civil Service Commission, the Office of the Premier and Cabinet Office.

Over the past year, there have been a number of organizational changes within the ministry. Last month, for example, Larry Leonard joined us as the new assistant deputy minister responsible for the office of the budget and intergovernmental finance.

Earlier this year, the pension and income support policy branch was disbanded and most of its staff transferred to the intergovernmental finance policy branch; four of its staff, however, went to the Public Sector Pensions Advisory Board, chaired by Ethel McLellan. These changes reflect the reorganization of pension policy responsibilities in the government generally.

Also on the pension front, the Task Force on the Investment of Public Sector Pension Funds, chaired by Malcolm Rowan, has been established to review the investment options of public sector pension funds. The task force has asked that briefs from interested parties be submitted by March 2 and plans to make its recommendations to me late in 1987.

Another study currently in progress at Treasury and Economics is the one dealing with growth areas and export opportunities within the service sector. This study, commissioned in October 1985, is being prepared by George Radwanski, and an interim report on the service sector in Ontario was tabled with the May 1986 budget. The final study will be released in the near future.

In keeping with the government's commitment to French-language services, I would like to mention that Ontario Finances, Ontario Statistics and the three volumes of public accounts are being produced for the first time both in French and in English.

I look forward to the comments made by the honourable members opposite, both the official critics and others, including members of my own party. When we get into the direct question-and-

answer area, I will be assisted by Deputy Treasurer Brock Smith and the appropriate officials, who, with the permission of the House, I will ask to join me once the formal statements have been made.

Mr. Chairman: Before the critic for the official opposition speaks, I will draw the members' attention to the fact that there are certain gremlins in the clocks and they will be rectified in due course. Do not believe what you see on the clocks; they are going at such a rate that we would be through estimates this afternoon, and that is not likely.

The critic for the official opposition—he is not here? We are not going to have another 10-minute break, are we?

Mr. Ashe: I will speak very briefly. I know my colleague, who was out opening the new automobile plant in his riding—without giving him a plug—will have an additional response in due course.

Listening to the Treasurer today and to his earlier economic statement was rather intriguing. It is amazing that all this extra cash flow the Treasurer has indicated—which he has finally fessed up to, to use the words of my leader a little earlier on—is just about dead on the exact numbers we indicated some time ago.

As I recall, at that time this party indicated the Treasurer was probably hiding something in the order of \$800 million of revenue this fiscal year. It seems to me he and his leader jumped up and down and waved their arms, saying, "No way." Lo and behold, now comes the time of truth. We find that some \$405 million of additional revenue has accrued to the Treasury, which I suggest is thanks to the sound economic policies put in force by the previous government and a rather boisterous economy that is happening thanks to anybody and everybody who wants to take credit for it.

I am interested in hearing from the Treasurer at the earliest opportunity a little more detail on some of the rationale behind the organizations he briefly touched on. I do not know that he will want to spend time on the Ontario Economic Council, but he may want to spend a little time on the reorganization within the Ministry of Treasury and Economics.

I suppose one can challenge that this has more to do with Management Board, but I do not think so. The Treasurer wears that hat right now anyway. He is acting Chairman of Management Board, government House leader, Minister of Revenue et al. It appears that, along with the Attorney General (Mr. Scott), he is running the

whole operation anyway. I am sure he has provided and will want to provide all the answers to anything and everything we ask.

He is the bookkeeper, the keeper of the Treasury and the overseer of expenditures. I am interested in knowing his reaction to some numbers that are contained in his overall estimates, having to do not only with the Ministry of Treasury and Economics but also with a couple of the other ministries he oversees which I mentioned before, as to the actual cost of operating the minister's offices within the new government of Ontario.

We are led to believe, and I concur with it, that we have somebody who is generally known as a frugal person as Minister of Revenue, Chairman of Management Board of Cabinet, government House leader and last but not least, Treasurer and Minister of Economics. He is supposedly taking care of the purse-strings. Sometimes I wonder how strong the fingers are on the purse-strings. Although we can see all the extra revenues coming in, there seems to be a hole in the bottom of the purse, and I would have thought the Treasurer would have put in a few stitches by this time.

We heard some announcements today about major program funding for next year. We are not into those right now, but we will undoubtedly be dissecting them in a little more detail; they are not relevant to this year's estimates of the Ministry of Treasury and Economics. I would like to see some numbers. I would like to hear what the Treasurer honestly feels about the costs of government, particularly in relation to the operation of the ministers' offices, suites and huge staffs. He used to talk about the ministers' chauffeur-driven limousines. I think I can use his exact words. I could make direct reference to this in Hansard on more than one occasion during the time he sat on this side of the House, and I look forward to that opportunity again.

I would like to know the comparison numbers, ministry to ministry and collectively, and what the Treasurer feels about them. This is where I think he lost hold of the purse-strings, probably against his better judgement. I suppose the Attorney General had a louder voice in cabinet that day and was able to speak louder than the Treasurer on behalf of all the colleagues who lined up behind him. If the Treasurer had been at the head of that line, I know he would have taken care of the hard-earned tax dollars a little more frugally, such as the extra \$405 million that has come in during the first six months, than the way it has turned out.

15:50

I am not going to carry on at any great length. We have left a few points for the Treasurer to explain in a general sense about the reorganization, possibly in a little more detail, and more important, how he can reconcile the difference that both he and his leader espoused not long ago when we said \$800 million of additional revenue was probably hiding in those walls of Treasury.

Last but not least, I would like to hear about the Treasurer's personal in-depth feeling about the cost of running the ministries and helping bring the ministers around to their various functions since that government took over not that many months ago. I think he talked about it being 15 months ago; I think it is now up to a year and a half, and it is big bucks.

Mr. R. F. Johnston: Mr. Chairman, I am standing in for Mr. Foulds, our deputy leader, who has been called back to Sault Ste. Marie for the conference on the north that is going on. I would like to make a few comments about the ministry on behalf of the New Democratic Party. Given my background and my interests, my comments may be from a different perspective from those customarily made by many critics of Treasury.

It is indeed a good thing that in Ontario we brag about an unemployment rate of seven per cent compared to some of our sister provinces which are much worse off. I presume none of us is yet happy and acclimatized to the notion of this being full employment, as some theorists would have it these days. We should also be pleased that inflation is at four per cent and that the prime interest rate is under 10 per cent. Given the situation, real growth of 4.1 per cent in the coming year is also something that should make any Treasurer's job an easy one.

We saw just how easy it is today, with a windfall of \$400 million. In the first six months of this year, the Treasurer was able to be several weeks early for Christmas and give what turned out to be alms for the poor rather than the generous gifts that some of us had been expecting.

I want to try to put in context the role of the Treasury in the accumulation of wealth in Ontario with its social policy. We often have a very strange dichotomy in our views about economic policy and social policy. As are many people these days, I am trying to talk about the fact that these things must always be looked at together. The parallel at the municipal level would be the whole concept of land use planning and official plans not having anything to do with

people, social services or the kinds of issues that are going to affect the new neighbourhood, but only with institutions and the tax structure and the heavy equipment requirements of a new municipality.

The same thing is true for the Treasurer. It has not been customary in Ontario, at least not in the seven years I have been here, to hear Treasurers speaking a great deal about the redistributive role of the government or about its role in trying to get more equity in what we do with the income we raise. We mostly hear that the statistics of the signs of success are a seven per cent rate of unemployment and four per cent real growth, etc. Very seldom do we look at some of the downsides of what is happening in the economy and ask why the social policy of the government is not integrated with its economic policy to address those things. It strikes me as being somewhat ironic, but then perhaps I have an overstimulated sense of irony. Who knows? I have many character traits that are specific to me, which we do not need to allude to at this point.

Hon. Mr. Nixon: You list some and I will list some.

Mr. R. F. Johnston: I will list the bad ones then and leave the others to the Treasurer.

It seems somewhat ironic that the Treasurer would be up today talking about how we will redistribute the new, unexpected largess windfall of \$400 million that he received, and I would be up on a leadoff question stemming from a conference on hunger in Canada.

I was asking my question of the Minister of Community and Social Services (Mr. Sweeney), a question that came from one of the family benefits recipients from British Columbia at the conference, who said we should each go back and ask our elected member what his specific plan was to stop all these food banks from being necessary and to eliminate hunger, and to put a time frame on it.

At one stage in that conference, people were really saying: "We should say to the politicians that, as of this date two years from today, we are going to wipe out the food banks; we are not going to operate them any more. What are your plans?" They decided to hold back from that because there was clearly a need to provide for people while governments got their act together. That is why I got up and asked the Minister of Community and Social Services what his specific plans were to eradicate the need for food banks and to make sure nobody would be hungry in Ontario within 18 months.

This came on exactly the same day that the minister had an extra \$400 million thrown into his lap, or he has had it now for the last six months—and it has not been in a sock, I do not think, beneath the bed in Brant-Oxford-Norfolk. It seems strange to me that all I heard about was some money going to institutions, which the member for Bellwoods (Mr. McClellan) reminds me really seems to echo the Henderson report of 1976 in terms of that 5.5 per cent, 5.6 per cent.

Mr. McClellan: Exactly the same numbers. "Lead boots" it was called then.

Mr. R. F. Johnston: In those days the member for Prince Edward-Lennox (Mr. Taylor) was the minister who talked about it. He was known as the member with lead boots. This was a totally inappropriate amount of money to be providing, and here all of a sudden these same figures show themselves in the Treasurer's announcement today when he has got this windfall, and not one word about the people on the underside of what is going on in Ontario.

Here we have the example of the new wealth coming from our higher employment rates and our low inflation. Yet in any of this, have we redressed the problems at all for those people at the bottom? The answer is no.

Our researcher was telling me that if we were just to take the National Council of Welfare's most recent figures for the poverty line—something I am always reluctant to do, just choosing one out of the air—if we were to take that one and look at all the working poor who fall underneath that at the moment, who are incredibly heavily taxed in this province, we could have eradicated all the provincial taxes on those people for a cost of about \$100 million. That might have been a slightly more dramatic, slightly more interesting kind of move for our Treasurer to make than just applying old Tory increases to our educational institutions in Ontario.

I raised with the Minister of Community and Social Services today the incredible, cruel anachronism of its being possible in Ontario for a family benefits mother with three children to be living on virtually \$1,000 a month less than a middle-class family would get to look after those three children, if she had three teen-age children, if they became wards of the state.

It is possible. I will bring this specific figure to the Treasurer's attention. A family benefits mother in Ontario with three children can receive as little as \$660 a month. Normally, she does not need much in the way of shelter allowance, according to the province, if that is the case. This

is a person whose housing concerns are taken care of, but that is for herself and her three children.

If those three teen-age children, for instance, were then taken from her because she felt she could not manage them or because there were problems in the home stemming from trying to live on that amount of money, and if they went to a middle-class foster home, they could receive as much as \$528 for each child's costs for his basic needs for that month. That is not much less than the \$660 for the mother and three children on family benefits. Even if that mother received the maximum possible that one can get in Ontario, she would still get about \$600 less than would the foster parents to look after those kids. Out of that income, the mother would have to take out amounts for her rent, her food and her clothing, as well as all the children's needs.

16:00

If that does not seem to the minister to be a structural condemnation of the poor, guaranteeing that those people will stay poor, and an aid to the middle class who wish to assist the poor, I do not know what is. Does the Treasurer understand that our children's aid societies deal almost entirely with the poor?

For instance, in the last figures I have seen for the Catholic Children's Aid Society of Metropolitan Toronto—they may be different now, but I doubt it very much—66 per cent of its families earn \$8,000 or less and only 0.34 per cent earn more than \$20,000 a year.

We set into place an incredibly expensive system called the children's aid society to catch the problems of the poor who cannot afford to look after their kids, who cannot afford to buy the services to keep their kids from getting into trouble and to keep the home from falling apart. Through the children's aid societies, we pay the middle class enormous amounts of money to look after those children in comparison to what the family benefits recipients receive.

The Treasurer may not think that is his business. He may feel it is up to the Minister of Community and Social Services to make his pitch for some of the dollars. At a time when we are doing well, in the Treasurer's terms, and unemployment is down to a level he will brag about, when our inflation is down to levels which he is sure will be even lower next year, when he gets a windfall of \$400 million, it is precisely his role at that time to say, "I want you to give me, Mr. Minister of Community and Social Services, an indication of something I can do through the

tax system, something I can do in terms of funding programs that will assist the poor."

While the province is surging ahead with this new vitality he wants us to think is out there, he should ensure that at least the people at the bottom get some assistance. If he is not going to think about doing it now when we are in the green, does he expect a Treasurer to stand up when we are in the dry times to provide that type of assistance to people?

During the middle 1980s, when we started to go through the recession, we saw what happened. The Treasurer at that time started to take more and more away from those people who did not have. He tried as much as possible to buffer his middle class so they would not revolt against him during those tough times. It is only in the good times that he has the freedom to be able to assist these people, from his philosophical days, and yet he has chosen not to do that.

A question was raised by the member for Simcoe Centre (Mr. Rowe) today about the problem of housing. People were actually considering giving up their children, as he put it, in order to get housing, because they could not afford it otherwise and they hoped to get government assistance through it.

Knowing their children were now going to bring in approximately \$500 a month in income for a family to look after them versus \$100 a month, which is what a family benefits mother gets per child over the first child, that might be an option that responsible, poor people would actually consider. They would allow the children to be taken over by this structure called the children's aid society, because the government cannot afford to look after them, and they would be better protected.

My message to the minister is simple. He is the Treasurer at a very good time to be Treasurer. This is a time when it is very easy to look good, but all the Treasurer has done is choose the old Tory way. He knows the pressure points are the universities and the colleges and the institutional infrastructure of the province, and he knows they will not find it acceptable if he does not give them a little extra support. He responds to that, not by giving them what they want but by giving them enough to keep them quiet and make it look as though he is being generous. He does nothing at all to support the people who are at the bottom.

When the Treasurer presented his budget, I raised with him the fact that his plan to assist the working poor with their Ontario health insurance plan premiums was not going to come into effect until January, two months from now; yet all sorts

of people who are working poor were going to be taken off premium assistance or were not eligible for it in its entirety because of the increases in the minimum wage that have occurred in the past two years. The Treasurer realized at that point that it was time for assistance, but he delayed its implementation. Why does he not use this period to speed it up? Why does he not make the announcement, as he could have done months ago knowing that this increase was coming through, to make sure there is that assistance to the poor in Ontario?

It is hard for us on this side to be enthusiastic about a ministry that does not take the opportunities when they are there. From my perspective as a critic for Community and Social Services, who for years has been demanding we pay more attention to the poor, it is particularly disappointing that at a time when the ministry actually gets some largess to distribute, not one cent goes in their direction.

Those are my opening comments. I am sure other members of the party will have comments to add during the rest of the estimates.

Hon. Mr. Nixon: In response to the comments by the honourable members, I would like to say something about the so-called hidden revenue pot that the Leader of the Opposition (Mr. Grossman) refers to from time to time. There is not much I can do to persuade him not to keep referring to it, other than to say that Ontario Finances is published and widely disseminated four times a year and that it is the responsibility of the Treasury to put forward at that time any changes in revenues or expenditures compared with the budget plan.

The large increase in revenues that is reported in this Ontario Finances is largely from the buoyancy of the revenues from personal income tax that are collected by the government of Canada. It is its job to predict to us what the revenues will be that it collects and returns to our Treasury. We were informed, not officially but unofficially, about a week ago that these additional revenues would be forthcoming. There may be even more before the end of the year, but we have to go on the projections that come from the government of Canada in this regard.

16:10

We must also point out that certain other revenue sources for the province over which we are directly responsible have shown additional revenues. Retail sales tax is predicted to be up by \$50 million. Corporations tax revenue is projected to be up by \$22 million. The mining profits tax

is projected to be up by \$30 million. This is on a basis of assessments that have been made.

I will not go through the whole list. I simply point out that there is no fund and no cost that is not reported in Ontario Finances that is a variable from the original budget plan. I do not find it terribly irritating, and I can understand the motives of the Leader of the Opposition when he continues to talk about an election slush fund, but such a fund, slush or otherwise, does not exist. I assure the honourable members and anybody else who will pay attention to my words that the numbers available to me as Treasurer are reported regularly through Ontario Finances and are as precise and correct as we can make them; they are upgraded regularly.

The member also referred to the costs of the ministers' offices as compared with the costs of administering the offices in the previous administration. I do not have a paper handy on that, but before the estimates are completed, I hope to have some additional information that will be comparable. The members will know that the last time this was raised, which I believe was during interim supply last spring, we did provide quite a bit of additional information indicating that the costs were roughly comparable and, if anything, we were getting by on less staff. I will be glad to provide the specifics on that before these estimates are concluded.

The member for Durham West (Mr. Ashe) also asked for details on reorganization in the Treasury. Treasury reorganization has not been that extensive other than that the responsibility for pensions has been largely transferred to the new Ministry of Financial Institutions. It is an adjunct to the Ministry of Consumer and Commercial Affairs, and the main thrust of pension development and policy now lies with that new ministry. It is still my job to inform the other treasurers with whom we meet fairly regularly about emerging pension policy. I have not had very much to say to them recently, but perhaps some time in the near future this will be a matter for presentation of legislation in this House.

On the subject of reorganization in general, I was interested in turning up the information available to me in the book here. The all-in staff component has changed from 464 in 1985 to 439 in 1986, including both classified and unclassified staff. If the critic is worrying about the directions, that seems to be appropriate. He will also remember we have disbanded the Ontario Economic Council and certain other adjuncts to

the ministry which principally account for the reduction in staff members.

We have not undertaken far-reaching, overall reorganization. I hesitate to say it was perfect when it was passed on, but in my view it seems to be functioning very well. There had been a few specific changes in personnel. The most interesting one, which is quite recent, is that Peter Sadlier-Brown, who was the assistant deputy minister for budget policy, has been transferred to the Ministry of Labour as assistant deputy minister. I have already referred to the fact that we have another assistant deputy minister for budget policy, who will be assisting me in responding to questions on those matters.

I was interested in the comments made by the member for Scarborough West (Mr. R. F. Johnston), the new financial critic, and a very competent one he is. I do not want to protest too much, because I would be even more unbelievable in what I am about to say, but we do try in this government to accept our responsibilities for social policy in what we hope is a more effective and sensitive way than our predecessors. I do not want that to sound nasty, but that is our view of ourselves, whether or not it is correct.

At meetings of the treasurers, we have emphasized the fact that tax reform must include a reform of the views of the government of Canada, in co-operation with the various provinces, having to do with financing social programs that are emerging in importance, such as child care and particularly a new approach to a guaranteed income program. Perhaps we will have a chance to discuss this in more detail in the depths, or the heights, of the estimates. It is something we are interested in. The Premier (Mr. Peterson) has instructed me to raise it with my colleagues in the various other treasuries and with the Minister of Finance. It is something we believe has to be an intrinsic and important part of tax reform. This hardly puts us on the level of caring of the member, but perhaps the same problems apply with my reputation in this regard as he would experience.

I can assure the member that we are all interested in having social policy as an intrinsic part of economic policy. We are not forgetting that. I jotted down the allocation of additional expenditures, which took place not so much because of giving thought to where the additional money would be spent but because program pressures had to be responded to. Slightly less than \$100 million of the \$400 million to which the member referred goes for programs in the social field. These are not all directed to what we

might call the needy end of the social spectrum, but they certainly involve housing, health, community and social programs themselves, native affairs and so on.

I also point out to the member and others that our tax reduction program has been strengthened year by year. There are approximately 700,000 people in Ontario who pay taxes under the personal income tax program federally and are exempt provincially because of our tax reduction program. I am very proud of that, and it has been strengthened in each of the years when I have had the responsibility for the budget.

During this time, the government of Canada has eliminated its tax reduction program entirely. In other words, there is no special federal allocation of funds to remove those people who, as the member said, are below the poverty line and still caught in the tax net at the federal level. The member is also correct when he says there are still people below the poverty line in this province paying taxes. Because of the change in the minimum wage, I agree there has been some dislocation that is not fair, and we should give more attention to it.

That is about all I have to say in response to the opening remarks. I will appreciate hearing further from the members and hearing their questions. If it is not inconvenient, I ask that the deputy and whoever he feels might be suitable to advise me, be allowed to come here, and we will get out a table and carry on with this in a more businesslike fashion.

Mr. McCague: I am glad to have a chat with the Treasurer today.

The Deputy Chairman: Order. Are you discussing the first item?

Mr. McCague: I am freewheeling—anything at all.

The Deputy Chairman: Okay.

16:20

Mr. McCague: It was a great day in Dufferin-Simcoe. As I recall, the year we got the Accord in Alliston was the day we got bombed by the accord in Toronto. The Premier and the member for Wellington South (Mr. Ferraro) were participating in ceremonies marking the official first car off the line at Honda today. It was a great day for my area of the province, and for that I give the Treasurer absolutely no thanks; it all happened before he got that job. That does not mean he is not doing a good job—

Hon. Mr. Nixon: Is the member going to give me credit for the courthouse?

Mr. McCague: Yes; full credit for the courthouse.

They were both extremely nice gentlemen today. I was pleased to welcome them to the area, as I know the local Liberals did the Treasurer a month or so ago.

Hon. Mr. Nixon: There were a lot of them there.

Mr. McCague: Yes, there were; they had room 118, and there were 17 of them there.

Anyway, I know the Treasurer to be a gentlemen and a person who is trying his best to run the financial affairs of the province. With the kind of help he has in front of him, he cannot go wrong; they were there before he was, and for that we are grateful.

We also appreciate the bonanza that the government has had in finances. He is a poor forecaster but again, for that, we are thankful.

The Treasurer should be thankful that the member for York Mills (Miss Stephenson) has been taken overseas by the Treasurer's colleague and that he is not faced with her. As a matter of fact, I have her comments here. I cannot understand most of the words, and the minister will not either, so I am not going to use them.

Hon. Mr. Nixon: The member cannot read her writing?

Mr. McCague: No. It is not her writing; it is those words about what type of operation she thinks the minister should have and all those types of things that get us all upset.

However, as the estimates go on, standing in for the member for York Mills, I will want to discuss such things as unemployment. The Treasurer probably does not agree that there is much of that around. I see here that he talked about how many people were hired and so forth and so on.

On Bill 38, I need a little money in Stayner for an arena and—

Hon. Mr. Nixon: Does the member want to thank me for the courthouse in Orangeville?

Mr. McCague: Do I want to thank the Treasurer for the courthouse in Orangeville? Yes, I do. I cannot thank him for more than a year or maybe a month. I need some more things.

As I told him the other day, we need a hospital in Orangeville, and we need an arena in Stayner. I know he is always co-operative, and I have done my best to try to persuade the people in my riding of what a nice fellow he is. I hope he does not let me down.

The softwood lumber matter is an issue in my riding, not so much because of the manufacturing

there but because of the employment that is involved. We have talked about the Ontario Economic Council many times before. I am glad he has somebody in his office now who replaces it. He really has not done much about Hydro. He is a very predictable type of guy. All I had to do was to read the speeches he made over the past 11 years—I have known about them for that long—and I knew what he was going to do when he got into a position of power.

I have little to do with the Ontario Institute for Studies in Education; I am not sure what he is going to do about that. That was one of the minister's pets.

Hon. Mr. Nixon: It is on the back burner.

Mr. McCague: I heard that. Leave it there. That will be great for me.

Then there is the credit rating. I presume the Treasurer is going to go down and talk to the boys in New York and come back with his chest stuck out this far. He should, because we left him a good legacy. Why would he want to mess it up?

I was impressed as well as amused by the Treasurer's comments on the staff. We will get to the truth some day, as we will about the hospital funding. I have tried that with him many times, and I cannot get to the bottom of that, but we will one of these days. If he gives me enough money to finance the 14 beds in Collingwood and to build a new hospital in Orangeville, then I will give up the subject. Until that time, I do not think I will.

The \$850 million that is imprinted here still concerns me, because I do not know what the Treasurer is up to. He might answer those few questions. As we go through, I will have others to raise.

Hon. Mr. Nixon: The honourable member raised two or three points of continuing interest. The implication in his reference to the arena in Stayner was that, somehow or other, I have reduced the allocation of funds for purposes of recreation. I can assure the member that is not the case.

In the past two years we have allocated more than the revenues from Wintario and Lottario for arenas, recreation and culture. In spite of that fact, there is still a nominal or notional surplus contained in the consolidated revenue fund from the years before the Liberals took office when the Progressive Conservatives did not spend the allocated revenues from Wintario and Lottario. I believe that notional surplus is about \$170 million. and I can assure the member that in the next few years that surplus, in quotation marks, will be more than utilized for the support of

recreational and cultural pursuits in the province.

Going way back to the days when the Conservative party brought in lotteries as a basis of financing government programs, however, my own feeling was that allocation was somewhat misleading. Although the law said it should, the government of the day did not allocate the money as was required but kept an account of it and used a little more in election years than it did in between, which is understandable.

Mr. McClellan: Now the minister understands it, does he?

Hon. Mr. Nixon: The member had better too.

My own understanding of the democratic process is that the members of this House should decide what emphasis should go to the allocation of public funds for recreation and culture, for the provision of health services, for the building of courthouses and for senior citizens' homes associated with churches. I say that for the benefit of the member for Bellwoods (Mr. McClellan). It is up to us to come in here and try to influence the government, the Treasurer and the different ministers as to the allocation of those funds.

I am sure the member is aware that his opinions are very influential. It is similar to somebody burning his hand on a hot stove. We do not like doing that. If we are doing something for which the opposition criticizes us, we look into the alternatives and try to accede to the advice coming from members from all sides. Quite often we cannot do that, or perhaps we do not do it as fast as some of the enthusiasts opposite would like, but their views and opinions are extremely influential. I did not realize that before, but I now know that even in the olden days, they did have an impact on government policy.

I am simply saying that while Bill 38 would remove the designation of those funds—and I believe it is entirely appropriate—and it would in no way reduce the funding for recreation and culture, because of what I consider to be lack of understanding of if not lack of support for my position, the bill will sit on Orders and Notices for a while until it might be more appropriate to move it forward; i.e., until there is more time in the Legislature for extended debate.

Since there are so many important bills requiring our time now, I have indicated to the House leaders that I will not proceed with this one. I simply say, more and more strongly as I go on in this debate, please do not get the idea that this government does not continue what was a

good appropriation under the previous government to both of these important areas. If Stayner continues to apply, I am sure it will get every reasonable consideration.

The member has mentioned hospitals and the \$850-million fund for capital purposes that was announced in the budget last May. My own interest in that is on the basis that we want to be able to provide sufficient information well in advance to the various hospital boards and the communities at large as to what we are prepared to do and are capable of doing over the next few years so that they can plan appropriately. I think that is commendable. I sense in the former minister's views and from the way he is nodding his head that he agrees with that as an initiative.

16:30

I do not for a moment think the \$850 million we have been talking about will be sufficient. There will never be a time in this House when the government members and the opposition members feel fully satisfied that sufficient capital has been made available, but we are going to do our best. I suggest there will be substantially more than \$850 million applied for hospital capital over the next five years. I believe it will be more than that, not less.

The honourable member also referred to the famous credit rating. I do not want to dwell on this particularly, other than to tell him that the well-known and highly respected Canadian Bond Rating Service Ltd. saw fit to raise Ontario to triple-A status just a few months ago, indicating in a press release associated with it that we were the financial cornerstone of the nation, a phrase I quite like. It is their phrase, not mine, but one I thought was quite good.

The Canadian Bond Rating Service is not and would never put itself forward as being anything equivalent to Standard and Poor's or Moody's Investors Service Inc. Moody's has maintained our triple-A rating. About a year ago, Standard and Poor's reduced us to double-A-plus. Since then, it has derated most of the other provinces or many of them, including, God forbid, Alberta itself.

Alberta has fallen on difficult times with the substantial and unexpected reduction in the world price of petroleum. That is to be expected. As a matter of fact, growth in Alberta is estimated to be negative. There is going to be a recession there, according to the figures its Treasurer has made public, because of its problems in financing the programs in place. Before we weep too copiously for Alberta, however, we have to remember it has no gasoline

or sales taxes, it has substantially subsidized property taxes and it continues to fund most of its programs from the interest on the Alberta Heritage Savings Trust Fund and from royalties on petroleum production.

Even those royalties have been reduced by about 20 per cent, according to an announcement made by the Treasurer of that jurisdiction just a few weeks ago. It has problems we do not have. In many respects, its problems had been to our advantage, which is something we have to be aware of, because in our role as citizens of Canada as well as residents of Ontario, from time to time we have to provide the wherewithal for federal programs to assist less fortunate provinces.

I believe the credit rating is solid. The honourable member indicated that I might be going down to New York, sticking out my chest and trying to persuade Standard and Poor's to return it to triple-A. I do not really intend to do that, but we have endeavoured to provide any information that is requested by any of the rating agencies. There was some indication in the Toronto press that it is being further considered. I have no indication of that whatsoever. I think it is up to us to continue to say that our policies and our fiscal stance are established here and not in New York. Frankly, I think our credit rating as it is now is a good, solid one to substantiate our requirements to borrow money as they may occur in the future.

Mr. Mackenzie: I am going to take a couple of minutes. I could not resist the opportunity, under the estimates of the Minister of Treasury and Economics, to raise once again with the Treasurer a matter I raised a little better than a short week ago and that was the funding and the plans for the East End Medical Centre in Hamilton, or St. Joseph's ambulatory care facility, as some are now calling it.

The minister is well aware this is a project that is a desire of the people in the east end of Hamilton and a legitimate one that has been fought for in the past 15 or 20 years. I think it was in 1974 or 1975 that, in response to one of my colleagues, Ian Deans, we had the first committal by a Conservative Minister of Health that the project would go ahead. It has taken an awfully long time and an awful lot of hard work on the part of an awful lot of people, headed up by Dr. Kemp and his committee in Stoney Creek.

We finally seem to be on the way with the facility. Two years ago there was a commitment of \$10 million. I think the region or the community is trying to raise a substantial amount

of money towards it, but that commitment was finally made. It really had been made back in 1975, but it seemed to be written in stone, so to speak, a couple of years ago.

The community has the site set aside and has a total series of plans somewhere in the ministry. It said the minister's office, but obviously the plans are not in his personal office; at least I doubt they are. The concern in the community is whether the \$10-million commitment is still there. There is some concern that somehow or other it may have been rolled into or is supposed to come out of the commitment that was made to St. Joseph's Hospital. It could cause some real concerns in our community if that \$10 million is not there as an item for the east end medical facility. That would be a betrayal of a lot of people and a lot of work that has been done on a project that is literally ready to go the minute the plans are back. I hope the Treasurer will take the trouble to check again.

I have followed up with the Treasurer since I asked the question in the House about what is happening in terms of the plans that were passed on to the ministry many weeks ago and in terms of the \$10 million. He told me a week ago there was a letter waiting for his signature to come to me, and I have not got that letter yet.

Hon. Mr. Nixon: From the Minister of Health (Mr. Elston)?

Mr. Mackenzie: The Minister of Health. I am concerned about that, but I am concerned specifically about the funding angle of it and whether that \$10 million is set aside or is supposed to somehow come out of money that has already been designated for St. Joseph's, which would cause considerable concern in our community. The importance of that facility in the east end of Hamilton—as the Treasurer knows, we have a number of good hospitals, but every one of them is from the centre west in that city area. There has long been a recognized need for a fairly major facility in the east end.

We are not getting the full hospital facility we would like, but certainly the health centre that has been planned is a darned good first step and the community is solidly behind it. I do not know of a project that has as much community support as that one or as many people who have worked as hard on it. I hope the Treasurer can not only push the Minister of Health a little bit in terms of that response, but also allay my fears and the community's fears that there may be some fooling around with exactly how that \$10 million was to come for that east end medical facility.

Hon. Mr. Nixon: The honourable member knows there is no fooling around over here. I am not sure what happens over there.

The decision made by the Minister of Health is one he arrives at with the advice he gets from his officials and from the community, but not necessarily from the Treasurer.

There is quite a bit I could say about this if I wanted to unload my views, because I think it is quite important that the Treasurer not try to persuade his colleagues as to specific programs they should put forward. It is my job to allocate the funds that are available with the advice I receive from them and from the officials of the Treasury. They should not feel that somehow or other they have to kowtow to the Treasurer's views. Any time I try to express those views, I can assure the member there is no kowtowing.

It is quite important to understand that the allocation takes place by the Treasury to the ministries and then the ministers have total responsibility, in conjunction with all members of cabinet, to dispense the funds and to approve projects as they see fit.

16:40

To return to the one the member mentioned specifically, the St. Joseph's ambulatory care facility, discussions about this go back even to the days when I was leader of the Liberal Party and I often used to go to meetings in the member's riding, obviously to no avail.

It was certainly raised in those days as something that we as a party should support, and we did, on the basis that the community involvement was so great and that the need in that part of Hamilton and the whole Wentworth area was so obvious. I will undertake to mention it to the Minister of Health, but only as the member for Brant-Oxford-Norfolk. I wish the member well as he attempts to bring it to the attention of the honourable members of the Legislature and to the Minister of Health specifically.

I wanted to mention the reference to Ian Deans, in reference to living below the poverty level.

Mr. Haggerty: I would leave that one alone.

Hon. Mr. Nixon: All right, I will not.

Mr. Mackenzie: To finalize my comments, I am not sure I understand what the Treasurer is saying and I am not sure I can just let it lie there.

The point I want to reiterate very clearly is that there is no question whatsoever the people living in the community of east Hamilton and Stoney Creek felt that this issue was put to bed and ready to be finished two years ago under the previous

government. They have had no indication that the funding is not there and they have gone ahead with the plans. The community support for the project has, if anything, increased, not decreased, and it would be a tragedy to find that firm commitment of the money was not now there.

I understand the Treasurer is saying it may be part of the job of the Minister of Health, but it seems to me there is a community expectation that is a legitimate one. They thought it was totally settled and to that extent I hope the Treasurer does not feel it is entirely out of his hands. Should the money not be there, there is going to be one awful uproar in the east end of Hamilton.

Hon. Mr. Nixon: The member's additional comments are helpful. I know it is quite possible for commitments, or what were previously deemed to be commitments, to have been under review by the new government. I will undertake to find out the status of that program and let the member know.

Mr. Haggerty: I was interested in the comments the Treasurer made in his opening statement. He talked about the federal government and its proposed tax reform. I was also interested in his statement about the \$50-million bonus given to the Treasurer through the increase in the sales tax revenue. In his opening statement, he talked about the federal government and the new tax reform policies Mr. Wilson may be implementing very shortly.

This follows from the program that the Reagan government initiated in the United States, particularly in regard to tax shelters for financial institutions and earned income credits, and particularly in regard to the working poor, as we put it. My colleague the member for Welland-Thorold (Mr. Swart) often gets on to the matter of bread and butter issues, and I think this is one time when I have to agree with him.

I am thinking of my daughter coming home one night and not being too happy. She had bought a pair of shoes for my grandson and at the time the price for those toddlers' shoes was \$38, including the provincial sales tax. She was raising Cain with me about it and I said, "If I were you, I would refuse to pay the tax and appeal to the ministry." I think the minister should be looking at some type of tax reform in this area for persons on lower incomes who have to pay sales tax on shoes.

I am a member of the standing committee on finance and economic affairs, and a number of the financial institutions have come before the

committee this past month and this past summer. One of the concerns I have when we talk about tax reform, when the Treasurer is looking at what is taking place in the US and what the Minister of Finance in Ottawa is considering at present, and I hope this government is looking at too, is with the tax shelters that are given to the financial institutions here in Ontario.

I understand that in 1972 the previous government removed taxes from financial institutions. Of the revenues generated from huge profits through pension funds and insurance policies, very little is taken into consideration when it comes to the end product. They pay no financial taxes whatsoever; I should phrase it as corporation taxes.

I know how prudent the minister is. I hope he will take a look at this area, at tax reform so that everybody pays his share of taxes in Ontario.

Hon. Mr. Nixon: I will say a word about the sales tax on shoes. Shoes are exempt up to \$30. If the honourable member's daughter is buying children's shoes for more than \$30, they must be pretty snappy shoes. The only reason I am particularly interested in this is that I now have two grandchildren. I have this terrible compulsion to buy things for them. I got a very neat pair of Kodiak work boots for this little kid who is only a year and a half old. I think they were about \$9. They were very snappy. They were made of leather and everything. Since I am sure the complaint the member has raised has come from other members as well, we will have a look at this, but \$30 is not a bad cutoff at the present time. The only thing that bothers me is that it has not been raised for a long time.

Mr. Haggerty: The price of shoes has been raised.

Hon. Mr. Nixon: I bet the member does not pay more than \$30 for his shoes.

The member referred to tax reform, a subject that will involve us in lots of debate in this House as well as with the government of Canada and the other provinces for the next year or so. The initiatives taken by the US government are pushing us to reform. Theirs seem to have been successful and well received, although as they are implemented I believe there will be some difficulties that were not envisaged during the early euphoria. Personal income taxes have been changed from a collection of rates to only two rates, both of which I believe are lower than 30 per cent. The revenue forgone in the American model is largely going to be raised by removing the loopholes or tax preferences in the US corporation income tax.

I am informed by my officials, who are very knowledgeable in these matters, that our corporation income tax, believe it or not, does not have the plethora of preferences and loopholes that have characterized the American corporation income tax program, although obviously there are plenty here as well. I am not prepared to defend them, particularly since the member and others are definitely of the impression that our corporations, many of them very profitable, do not pay any tax at all because of these preferences.

They may be associated with tax losses or economic losses in previous years, which we permit them to carry over to some extent. A good many financial losses are being carried over into the tax situation now, particularly from the downturn in economic prospects and realities in the early part of this decade. I am not sure one can condemn that out of hand. These losses can be carried forward legitimately.

As to reform in our tax base, in our tax spectrum, the Minister of Finance for Canada was quoted as saying in the House of Commons that he hopes working people have more money in their pockets to take home; i.e., personal income tax will be reduced. There is no doubt in my mind that treasurers and ministers of finance will want to make up that revenue to keep it neutral at least. In the case of the government of Canada, with a deficit now reported at approximately \$32 billion, there might be some thought that the government of Canada might try to increase its revenues a bit.

If the government of Canada is thinking of reducing personal income tax and making that money up, and perhaps a bit more, by adding it to the federal sales tax through something called a business transfer tax or something such as that, then we as taxpayers and I as Treasurer have to be particularly alert that we are not replacing one kind of tax with another kind that may be even more regressive.

16:50

At the same time as we are talking about tax reform, we must look at the prospects of corporations paying a proportionately larger share now that the economy is more buoyant, at least in parts of Canada. It has been pointed out in this House repeatedly, and it is obvious from the statistics, that personal income tax is assuming greater and greater proportions in paying the overall costs of government, both provincially and federally, and these are some of the thoughts that will have to be in our minds as we undertake the kind of tax review that will lead to a system

that is simpler and fairer and is going to return enough revenue to pay for our programs.

The Deputy Chairman: Does the member for Erie have any more questions or comments?

Mr. Haggerty: When I talked about the financial institutions, I should have used the words "deferred taxes."

Mr. Gregory: I would like to have an opportunity to question the Treasurer on a matter that is of some concern to me, perhaps by past association. The Treasurer might not find it convenient to talk about this at this time, because it is not directly under his ministry as Treasurer, but it is under him as Minister of Revenue. However, the Treasurer will make the final decision on this so I expect he may be willing to talk. If he does not want to do so, I will be glad to defer it until we get some other body.

Do I have the minister totally confused? I am talking about assessment. I purposely do it now because the Treasurer, and only he, is going to make a decision in regard to assessment in Metropolitan Toronto, and he has been doing the negotiations. I expect that since the decision comes under his ministry, he will not have any objection to discussing it.

Hon. Mr. Nixon: On the basis that it might cost additional money somewhere, it could be discussed under the first vote, yes.

Mr. Gregory: As a matter of fact, I am of the opinion that there will be a considerable expense, in view of some of the remarks I have read in the newspapers recently. There is a possibility, as the Treasurer has stated, that the present studies—his answer is the same as mine used to be some four or five years ago—are now outdated and will have to be redone, which is perfectly true and I totally agree with him. The studies are outdated.

The expense comes in if they have to be redone. There is a considerable amount of money involved, and the Treasurer's decision is required to send all those assessors out marching the streets, counting brass number plates, as they say.

Hon. Mr. Nixon: Of all people, the member for Mississauga East should know better.

Mr. Gregory: I am just asking. I found it not to be true, but the Treasurer might have found something different since he has been there. In my day as the Minister of Revenue we did not allow that sort of thing. It was well controlled in Mississauga when the assessment was done—that and the fact that we do not have any brass number plates in Mississauga; we are rather poor out there.

The second part, which does involve financing, has to do with the negotiations the Treasurer has had with the officials of Metropolitan Toronto. I believe there was some discussion of conditions put on the vote that would cause them to decide that perhaps market value assessment under section 63 is not such a bad idea at this time. Some of those conditions involved subsidies from the provincial government so that some older taxpayers and taxpayers in older homes will not be excessively hit by an increase in assessment. I am interested in that. I am not coming after him on that one, because he has not said yes or no. Perhaps I have missed it, but I have not seen anywhere that he has made the statement that there will be no subsidies to Metro Toronto taxpayers to compensate them for excess increases in taxes.

What I am trying to get at is that if the Treasurer did come to the decision, in mulling this matter over, that some subsidies were warranted in Metro Toronto, I wonder whether part of that action could be the awarding of identical subsidies to the 650-odd municipalities that have gone ahead under section 33 without any compensation. Would they be considered in the same light? Or would he make his decision on any subsidies bearing in mind that the 650 municipalities have made their decision without any financial award and, therefore, perhaps Metro Toronto should make its decision in the same way?

I am not trying to play dog in the manger, but fair is fair. A precedent was set in Sudbury. It was altogether different; I recognize that. It was the first region that had been reassessed under section 63, so there was some reason to award extra subsidies. I know he will not do this, but I suppose one could say that Metro Toronto is the second region and, therefore, some subsidies are warranted, as opposed to a minuscule municipality such as Mississauga, which should not warrant any subsidies.

What I am looking for is some statement from the Treasurer that he intends to treat this thing in a way that is fair to all the citizens of Ontario as opposed to only those within the grand citadel of Metro Toronto.

Hon. Mr. Nixon: I agree with what the member for Mississauga East has said. I do not believe there should be a program of subsidies for one municipality that is not paid fairly and equitably to all, with the single exception of Sudbury, which I have tried to persuade the members of the House to accept as a unique situation. Without spending time on describing

the complexities of reassessment, where many municipalities were placed together in one regional municipality, as was the case in Sudbury, where there has been a wide variety of assessments and dislocations over the years, I ask the member to accept that as unique.

I was pleased that the mayor and council of Mississauga went forward with reassessment, asking for provincial assistance but deciding to proceed without it on its merits. The mayor and members of council have expressed some dissatisfaction and concern about some of the mechanics of reassessment, but their understanding of the need for reassessment was and is a good example to other municipalities, particularly the major municipalities such as Metropolitan Toronto.

In that regard, I owe Mrs. McCallion one because, along with her council, she took the tough decision to go ahead with it when she might very well have backed off and trod water, as there is a tendency to do when one involves oneself in such a tricky issue as reassessment. I appreciate what she and her council have done, and I personally believe it will work out well for the taxpayers of Mississauga.

The decision taken by the Metro Toronto council was quite a good one. It was general enough and couched in time frames that would not be inconvenient for anyone. In spite of the fact that some provincial politicians are aching to make this a sort of bloodbath issue, it is difficult to determine how even they, in their irrational temerity about re-election, could possibly do this.

The motion passed by the Metro Toronto council said it accepted in principle having it phased in or implemented over a three-year period. They have asked for up-to-date information about assessment, which was the subject of questions in the House today. I am prepared to give it, if it is clearly understood by all the people involved what the ramifications may well be. The ramifications have to do with lot-by-lot projected reassessments and the impact. We feel that until we are prepared to go forward with reassessment without delay, the appeals to the assessment courts might be such that it would be very difficult to achieve fairness and equity in those circumstances.

17:00

I know that officials of the city of Toronto and of some of the other cities have asked for this information. We have provided the general impact studies community by community, region by region and city by city. There is a clear

indication of how many taxpayers will have their assessment reduced and how many will have their assessment raised. More people will have a reduction than will have an increase, but the net effect with the application of any reasonable mill rate is that the revenues would remain constant. That is what the reassessment is all about, and those are the ground rules for reassessment.

I read with interest the sections of the resolution passed by the Metro Toronto council when it asked for the right to phase it in and asked for financing to assist particularly low-income people in maintaining their residence without being forced out by increased taxes. I would say to all those interested in this matter that this kind of phasing and special assistance is currently within the power of the municipalities under the Assessment Act and the Municipal Act. They can tax for sufficient funds to ease the impact of new assessments on those people who might otherwise find it difficult to maintain their residence with the increase in tax often associated with very large, older homes sitting on large lots which would command very high market values in the present market.

At least one additional requirement was placed on the resolution by the mayor of the city of Toronto having to do with a review of education costs, basically reflecting the view that the mayor and other members of Toronto council feel the city pays more than its share toward the overall costs of education in Metro Toronto. In my view, that is very much like Ontario objecting to the share of equalization funds we pay to the government of Canada. Obviously, the money we pay as citizens of Canada leaves Ontario, and the government of Canada then redistributes it to recipient provinces—we had better call them that rather than have-not or something else—to assist them to provide services at a reasonable tax price, which is required under the Constitution of Canada.

In the same way, the Metropolitan Toronto School Board has an overall responsibility to provide equality of educational opportunity, and over the years, the city of Toronto has paid more into the costs of education in the Metro Toronto area than it has received for education within its own borders. I think that matter could be reviewed, but the basic concept of the city of Toronto contributing to overall education is one that was established from the earliest times of the development of Metro Toronto education and I believe must be maintained.

Mr. Davis: Are you going to pay the difference between the tax dollars—

Hon. Mr. Nixon: We are not paying the difference; no way. We are not paying the difference.

Mr. Davis: You will have to, if you change this process, and you know it.

Hon. Mr. Nixon: We already pay a substantial share of education across the province. We look forward to increasing that, but we feel the shares of educational financing in the Metro Toronto area are paid currently with an understanding that all cities share the overall costs in an equitable way.

We are examining the resolution very carefully, because one area where some assistance might be forthcoming, which is not specifically for Toronto or for Mississauga but for all the taxpayers of the province, could very well be a review of the property tax credit and the payments made to senior citizens to assist them in their property tax payments. These were established some years ago and have not kept pace with inflation. They are very expensive payments. If we were to adjust those for inflation or make any other adjustment, it would provide some additional assistance to the ratepayers in Toronto, Mississauga, South Dumfries or Scarborough on the basis that all citizens would share alike in the enrichment of that program, which was inaugurated eight or nine years ago.

Mr. Gregory: I still have the floor, Mr. Chairman.

Mr. Chairman: The member for Mississauga East.

Mr. Gregory: Thank you. I fought so hard to get on the floor on this question. Although it seemed to be a little out of order, the Treasurer has acceded to my request, and I hated the thought that I would lose the floor because of a change in chairmen.

I thank the Treasurer for his comments on this. I admit many of the things he has said are parallel to my own comments. The municipalities have always had the right to phase in tax changes, which is not entirely fair. If a new study is done under section 63 of the Assessment Act and some reductions and increases are in order, then to phase in the increases, one must almost phase in the decreases. Really, one would not be fair to that segment of people. Even though that is available to municipalities, I do not think too many municipalities or communities have availed themselves of it. I am not too sure, but I would think the number would be very low.

Hon. Mr. Nixon: The member means the phase-in.

Mr. Gregory: The phase-in; right. I think most councils recognize that for what it is. Whereas the Treasurer seems to be protecting the people who have increases, he is penalizing those who do not. I do not think it has been used extensively. Perhaps his staff could bring me up to date on that. It has been a while since I was at Revenue.

Hon. Mr. Nixon: The Revenue staff would know.

Mr. Gregory: Yes. The nature of my question was not to have the Treasurer divulge to me his decision, which he obviously has not made, regarding Metro Toronto and its coming on to section 63. He has some soul-searching to do on that one. My question was to determine, if possible, whichever way his decision went, whether it would reflect upon the other municipalities that have not put conditions on their offers.

Those municipalities have requested—and, as the Treasurer has said, Mayor McCallion has requested, as I think every right-thinking mayor or reeve would. It never hurts to ask, and they know the answer before they ask the question, just as happens in this House. Most of the time we know the answer before we ask the question. Mayor McCallion is no exception to that. She would know what his answer would be, but that would not stop her from asking it. As the Treasurer mentioned, I do not think she reacted too strongly when he said no. I would caution him that she might react rather strongly if his answer were yes to another community. That is what he has to bear in mind.

Hon. Mr. Nixon: It is a substantial deterrent.

Mr. Gregory: Right. I have heard her speak too; I caution the Treasurer on that. I guess what I am interested in is fair play to the communities. I think of what has happened in Mississauga—the Treasurer says there have been some objections and some noise because of the mechanics. I suppose because of the nature of the plan it is always going to be that way.

When I was Minister of Revenue, one of the hot ones was a little place called Newcastle. For a small community, an awful lot of noise was generated there. There was going to be a revolution, a tax revolt, the whole thing. If I am not mistaken, that has largely died down, and there is relative calm in the grand metropolis of Newcastle at this time. It was the same in many other communities; in Sault Ste. Marie and parts of Waterloo, for example. I believe the member for Waterloo North (Mr. Epp) got into some kerfuffle about that. There were some objections

about the mechanics, but once they are in place, the scheme works rather well. I think it would work rather well in Metropolitan Toronto.

17:10

Let me get back to my question, which concerned fair play. Those communities that opted to go with section 63 on the advice of their Treasurer, their Minister of Revenue—and I do not mean encouragement, I mean advice—were given full information and opted to go without any special funds leaking down from the province. Perhaps I should be addressing my remarks to the Minister of Municipal Affairs (Mr. Grandmaitre) as well as to the Treasurer. I hope no decision is made on the Metro situation that would, in effect, penalize the other communities that have not had the benefit of those extra subsidies.

I wish the Treasurer well. I know how he is feeling at this time when we are talking about studies that are locked in the bowels of the Ministry of Revenue that everybody wants to see yet nobody wants to see. I suppose the actual specifics the Treasurer was questioned about today would do some harm if they were divulged. I am not sure where, but I feel the municipality of Metropolitan Toronto is not going to make any decision unless it sees those figures. That is a decision the Treasurer will have to face. I am glad he is making it.

Hon. Mr. Nixon: We are taking the passage of the motion very seriously. We think it is couched in terms that are flexible enough to allow me, as Minister of Revenue in charge of assessment, to respond to their requirements and to give them a chance to review what we are doing so that we can support them in every way possible. I have not even received official notification from the metropolitan council that the motion was passed, but I have already had preliminary discussions with the chairman, who I think did a very good job of piloting the concept through the council under very difficult circumstances. Since the executive committee had met a week earlier and recommended that the council not approve it, I was very surprised that after a lengthy discussion it went forward.

I am also aware that at least three members opposite, and perhaps more, have had more experience in dealing with assessment problems than I have. Knowing all three quite well, I would appreciate any advice they can give me in this and similar matters.

By the way, the member mentioned there may be some people here who could give information on assessments. That is not entirely the case. The

officials who are very much aware of this situation are with the Ministry of Revenue, but on my right is Brock Smith, the Deputy Minister of Treasury and Economics, and on my left is Larry Leonard, the assistant deputy minister, who was in the Ministry of Revenue until a week or two ago, but in the tax policy or the tax collection area.

Mr. R. F. Johnston: It is a strange day here in the Legislature. We have the critic for the Ministry of Community and Social Services involved as the lead for our party on the estimates of the Treasurer and we have the Conservatives debating the Minister of Revenue. It is something we should take in our stride and plunge ahead.

Mr. Chairman: On that subject, that was why I did not bring the member for Mississauga East (Mr. Gregory) to order. I remembered the member for Scarborough West had been flexibly stretching his topic.

Mr. R. F. Johnston: I would love you to explain how. My topic was the Treasurer's role in deciding economic policy in Ontario. Was that not it? I thought that was it. I will send you a copy of Hansard, Mr. Chairman, so you will understand how closely I stuck to the topic at hand.

I want to ask the minister a few questions, since I have an opportunity I normally do not get. I want to know about the technology fund, now that the Treasurer is here. What is it? As I recall, in the budget there was this new program that was going to be announced: \$1 billion over 10 years, \$100 million this year. Is that true? Is that \$100 million in new dollars this year or is that \$50 million?

Hon. Mr. Nixon: Half of it is new.

Mr. R. F. Johnston: Therefore, it is \$50 million in new money this year.

It is my understanding that it is overseen by the Premier's Council, that blue-chip business advisory committee we know about.

Hon. Mr. Nixon: I am on it.

Mr. R. F. Johnston: That is blue chip indeed. That sets a standard by which all others will be judged.

What has been approved? As yet, the only thing I am aware of that has been approved as a project is the somewhat famous software development company of Mr. Schwartz. It has received some money, a small amount, that the member for Brantford (Mr. Gillies) brought to the government's attention on one or two occasions.

Can the Treasurer update us today as to what money has actually been expended, who got the

money and how they are using it? For instance, has any money been put into pollution abatement programs or into research and development in that area? Money might go to Ontario Hydro for scrubbers or various ways of cleaning up what it does. What about money for smelter pollution abatement at Inco in Sudbury? Have there been any major grants of money to groups wanting to move in these areas?

Hon. Mr. Nixon: To date, the only expenditures approved from the fund are to go to the universities of Ontario to support research and development at our provincially assisted universities. The council is meeting regularly. I have the honour to be a member of the council. It is chaired by the Premier (Mr. Peterson) himself. It is broadly representative of the manufacturing development community. I never cease to be impressed by the abilities and reputations of the people who make up the council. I can get the names of the council members for the honourable member if he wishes them. It is a blue-ribbon list. He described it that way and I believe that is correct.

They are assisting the Ministry of Industry, Trade and Technology in establishing guidelines for the awards because there are different views as to how the allocation should go. None has been approved, including the payments to the company the member referred to. There is approval but no funds have flowed because before money flows from the fund, MITT has a very rigorous procedure as to the direct use, dollar by dollar.

The answer is that \$15 million has been approved and is flowing from the fund to the universities. It is our expectation, and I refer to it in Ontario Finances, that the expenditures from the fund this year will not be quite \$100 million, but over a period of 10 years we believe the expenditures will exceed \$1 billion.

Mr. R. F. Johnston: The Treasurer said this hoi polloi group is developing guidelines. When will they be available and will they be made public to the Legislature and to the people at large? As to the \$15 million for the universities, can he give us some idea what the approved projects are that have not as yet had any money flowed to them?

Hon. Mr. Nixon: The information will be made public and reports will be made regularly to the Legislature, presumably through me. The fund is in the Treasury and the council is chaired by the Premier and it gives approvals, but the administration is in MITT. The member should not say we do not know how to organize.

Mr. R. F. Johnston: It is what any of us would have expected: no money has flowed. A pattern is developing here. There is no doubt about it. I will wait to receive that information from the minister.

On another subject under the same ministry, most members have received letters recently from teachers' federations about the use of the superannuation fund. Sometimes they raise questions about qualifications for it and who gets it and who does not and that sort of thing. I do not want to raise that side of things. As I understand it, this is under negotiation between the Treasurer and the Ontario Teachers' Federation. However, I do want to raise the whole question of the fund itself.

A lot of my teaching friends refer to this as a captive fund, with the Treasurer being the hostage-holder. They have no access to this money, which is quite incredible in terms of the number of dollars. When I look at the numbers set out on page 29 of the briefing book, I see we are talking about many billions of dollars in hand for the Treasurer to deal with. The Treasurer should tell me if I do not understand these figures appropriately, because I am not used to dealing with his ministry, but it looks as if he has borrowed \$8.7 billion from that fund up to this point. That seems an incredible amount of money to take from the fund and to be using for social and economic policy in Ontario.

17:20

I notice that the rate of interest payable on these debentures was 13.33 per cent in 1984-85 and 11.45 per cent in 1985-86. It has been my understanding that these kinds of pension funds have often been returning 17 per cent to 25 per cent to people who are managing their own funds in the province.

Can the Treasurer tell me a little bit more about this, which on its face looks like quite a ripoff of the teachers' money, especially because of their lack of control and their lack of payback?

Hon. Mr. Nixon: The teachers' superannuation fund is now the major source of borrowing for the province. We borrow in chunks of approximately \$250 million about five times a year, but under the law it is our responsibility to borrow all the funds contributed by the teachers and similar contributions made on behalf of the employers by all the taxpayers of Ontario through the Treasurer. The school boards do not make a matching contribution. The government of Ontario, on behalf of all the taxpayers, makes the matching contribution. With teachers' salaries being as they are, among the highest

anywhere for teachers, and being relatively buoyant, the fund itself is buoyant.

Up until a few years ago there was an actuarial deficit, but with the buoyancy of salaries and so on, the most recent calculation established an actuarial surplus of \$693 million. I just note the cost of the recalculation is estimated at \$65 million. Some of these numbers are quite impressive, and I am receiving a good many letters from teachers now asking, "With such a substantial surplus, why can you not improve our pensions?"

We have a committee that has been ongoing for many months involving the teachers and representatives of the Treasury to work out improvements in the pension plan. The most recent improvement approved by the Legislature was a window for early retirement, so that teachers who are 55 years of age can take an early retirement both for their own benefit and also to make room in the teaching profession for well-qualified new people, who for a long time have not had the usual opportunity to move into the profession.

This was quite an expensive retirement window. I am informed that when all the payouts are made to those people who now have the benefit of early retirement, the fund will have paid something more than \$600 million extra. It is difficult to think of that as anything other than a huge amount of money, except that we understand these people will receive their pensions—we certainly trust and hope, and the statistics indicate, they will receive the pensions—for a good many years, so the payment is stretched out over the time from age 55 until, I would say euphemistically, they stop receiving them.

The percentage of interest payable is calculated on a formula that we believe is quite generous. The interest payments are substantial and add considerably to the actuarial surplus in the fund. They are in the range of about 11.45 per cent for 1985-86 and are expected to go down to 10.39 per cent for 1986-87 because of the general reduction in interest rates. I do not call it a low rate of interest, because if you put the money in Canada savings bonds, the interest this year is seven and a half per cent.

Mr. Ashe: It is seven and threequarters per cent.

Hon. Mr. Nixon: It is seven and threequarters. I do not have any money to invest the way the honourable member does, but I used to have before I took up my new, onerous and expensive responsibilities; let me tell him about it some time.

In return, and this is the important thing, the consolidated revenue fund of Ontario guarantees the benefits. In exchanges with the teachers who deal with pension matters, who are all very capable people and I count them my good friends, I have sometimes facetiously said when they have indicated something less than total satisfaction with the interest rate, that if they are prepared to relieve the Treasury of the responsibility to stand behind the benefits payable, then we will give some consideration to giving them the right to invest the funds as they see fit.

So far, they have been a little reticent about leaping at that facetious proposal. I put that adjective in often enough to protect myself; I hope so. A guaranteed benefit for all the teachers in the province is an extremely valuable guarantee. Many of the teachers, even those who are as young as I am, can remember times when the revenues produced by the independent investment of pension funds have not been in the 20 per cent range, but have sometimes been in the negative per cent range, as the economy lost the buoyancy we have come to expect in this province during the Liberal years, not to put too fine a point on it.

The Ontario municipal employees retirement system has the right to make its own investments. While it does not have a provincial guarantee, it is a pension fund that operates under the jurisdiction of the Treasurer and the Treasury. It has had judicious investments that I would not say were at the far end of riskiness. As a matter of fact, they are prohibited from going too far out on the risky scale. They have had a better return in recent years than have the teachers with their investments totally with Ontario.

When I was newly elected and still interested in my previous premiums or moneys paid into the teachers' federation for the teachers' superannuation fund, the interest payable was very low indeed. It was fixed by a formula that had been inherited and had not been changed over the years. I used to make some substantial and impressive speeches about how low those interest rates were and, lo and behold, they now are much higher. I am not sure whether that is cause and effect, but they are higher.

We are currently undertaking quite a substantial review of public sector pension funds. There have been some responses that have been less than enthusiastic to the announcement of this review. It is being undertaken by a public servant still of deputy minister status, Malcolm Rowan, who many people remember as being associated with the work of government for many years

gone by. He is chairing a study of public sector pensions with the thought that these revenues might be even better directed than they are now for the benefit of the province as a whole and of the contributors who will eventually receive benefits.

There are those who feel we have some ulterior motive in reviewing these revenues, but we are perfectly pure in our motives. We want to benefit only the people of the province and the eventual beneficiaries of these funds.

Mr. Chairman: Is the member through with that topic?

Mr. R. F. Johnston: No, I am not, Mr. Chairman. I have one more point on that topic. I understand there are certain benefits to not having the critics here or at least to having the critics show a willingness to share the time and allow others members in. I will do so as soon as I ask a follow-up on the pension question.

Mr. Chairman: Thank you.

17:30

Mr. R. F. Johnston: The minister mentioned the Ontario municipal employees retirement system. What is the status of the divestment of South African holdings in relation to OMERS? What is the provincial policy?

Hon. Mr. Nixon: The provincial policy is currently under review. There is a good deal to be said about it, of course, but the matter is still under review. I know the honourable member and other members of the House are attentively interested in this, as am I and my colleagues in the government. The member may remember that in the easy policy days, when banning South African wines seemed to be an appropriate response, we did that. Since then we have shown our interest and have had the advantage of hearing Bishop Tutu address the House. That put an additional point on the necessity of having a viable policy.

The problems of total divestiture lie in the legal requirements of fiduciary responsibility. I am sorry about that, but they exist whether one wants them to or not. Under the law, the trustees of pension funds must consider only the benefits of the recipients of pensions rather than international policy relating to apartheid or anything else. It is possible these responsibilities might be relieved by legislation or in some other way such as a general statement of policy on behalf of the government, indicating its desire that reasonable fiduciarily responsible divestiture take place. The ramifications of the policy have meant there have been many hours of informed discussion of

this matter, and the government is not yet ready to announce its policy.

In many respects, the government of Canada has moved reasonably well in this connection. Some other jurisdictions including California and, I believe, New Jersey have passed special legislation requiring the divestiture of any of these investments.

We have to remember that some newspapers publishing in Toronto employ people in South Africa. Many companies doing business here and employing many hundreds of people also have responsibilities of a financial nature in South Africa. I am heartened by the fact that some major international firms, even without much urging from government, have divested their holdings. General Motors and IBM are two that come to mind that have recently taken this step. Canadian Textiles of Montreal is a major Canadian firm that has done this.

I have tried to describe in my own halting way some of the difficulties associated with it. I find that the policy area is very complex. Following the ramifications into every area of business, cultural and social exchange is, I submit, extremely difficult.

Mr. Barlow: While the Treasurer still has his pension hat on, I have a couple of questions on pensions. First, as to the OMERS plan, on Friday afternoon I was talking with a representative of the firefighters' union of Cambridge. He was an official of the association. He brought up the subject of the 85 factor for firefighters. I do not know whether the Treasurer is familiar with the firefighters in relation to that. His question to me, to which I undertook to get an answer, was, "What is the status as far as fire departments are concerned with the 85 factor?"

Hon. Mr. Nixon: I cannot give the member the definite answer that I should be able to. I am reasonably familiar with it. The first proposal from OMERS, which includes many police officers as well as firefighters and others, was for a plan that would allow them to retire after 30 years of services. This was modified somewhat by their suggesting we accept an 85 factor; in other words, if age plus years of service totalled 85, it would permit them to retire. We are quite positive about that, but I have been informed it has not been accepted as yet; it is under active consideration.

Mr. Barlow: It has not been accepted by the Treasurer and his officials; is that right?

I think the 30 plus or whatever it is has been accepted by police forces, or it is almost ready to be implemented, but in fire departments it is the

85 factor. It has been under discussion for several years, and I understand the firefighters are most anxious to see it move. As long as I can assure him it is under active discussion and consideration, I shall do that.

The other question also deals with pensions, but this is in the area of private pension plans. I believe the Treasurer discussed private pension plans earlier today. I was out of the chamber or otherwise preoccupied. I understand he said there would be a bill forthcoming in the near future or some time this year. Am I right?

Hon. Mr. Nixon: I have indicated that on a number of occasions. The original plan was to have a bill available for this fall, which we had hoped to have enacted before the end of the calendar year, but the policy is a little more difficult to arrive at definitely than I had thought. When it is introduced, it will be by my colleague the Minister of Consumer and Commercial Relations (Mr. Kwinter).

Mr. Barlow: Following the normal procedure, the bill will be brought in by the minister. Will it then go out for public hearings and debate? Is that the expected disposition?

Hon. Mr. Nixon: I cannot make any commitment, but if the House wants it to go out, I expect it will go out. When anybody has asked me about it, I have said that when we are talking about a time line for a private pension amendment bill, we might as well tack on the time line for public hearings, because a lot of people will want to discuss it.

Mr. Philip: I have a number of concerns to raise with the Treasurer. Perhaps he can reply to them all at once and then we may have some dialogue on it.

I am always worried about members of the present cabinet and their musings in public. As we have experienced in the past, the musings of certain ministers somehow find their way into legislation or into some action. I can recall one minister who was indiscreet or nearsighted enough to recommend certain ideas that would severely cramp the Ontario Institute for Studies in Education. We saw those in the form of proposed legislation that luckily is not going anywhere.

I am concerned about the musings of the Minister of Consumer and Commercial Relations. He seems to have found a new soul sister or soul brother, namely, her worship Mayor Hazel McCallion. I am always worried that somebody I have had some respect for, such as the Treasurer, would in any way be considering entering into any kind of close liaison with that great lady,

particularly when she is in a liaison, through the Minister of Consumer and Commercial Relations, with a family known as the Ghermezians.

17:40

I am sure the Treasurer read in the newspapers and followed with great interest that the Minister of Consumer and Commercial Relations had a trip to Edmonton. I do not begrudge the minister a trip to Edmonton, nor do I begrudge him the opportunity to use his skateboard or whatever it was he used in that great, magnificent wave pool they have in Edmonton. What I do have concerns about, and I am sure the Treasurer has some concerns about, are the minister's public musings, when he talks about the possibility of using \$60 million or more of the taxpayers' dollars to finance or subsidize the Ghermezians in setting up this great new Orlando of the north in Mississauga.

I am particularly concerned when I see the shallow rationalizations he gives for such an expenditure. One is that it would create jobs. Any study of the West Edmonton Mall shows that the actual number of new sales jobs created is next to nothing. In fact, the latest studies of the West Edmonton Mall indicate a maximum of 100 new sales jobs were created. The West Edmonton Mall has transferred jobs out of the downtown core of Edmonton. In Toronto, a similar mall would mean jobs transferred to Mississauga from the suburban malls in places such as Etobicoke as well as from the downtown stores. Such a project creates no new wealth but takes money out of the pockets of businessmen and transfers it into the pocket of the Ghermezians and other people who would create this megamall.

It is disconcerting to have the Minister of Consumer and Commercial Relations—who should know better—try to make the argument, as he has done publicly, that it would be a tourist attraction. If we look at Canada's Wonderland and the studies it has done, we see very few people have come to Toronto to visit Canada's Wonderland. In fact a very small percentage, something under 20 per cent of the patrons of Canada's Wonderland, have come from more than 150 miles away. If we ask those fewer than 20 per cent how many came to Toronto specifically to go to Canada's Wonderland, we would get an infinitesimal number. Canada's Wonderland surveys and its public relations people will tell us exactly that.

Furthermore, if we look at what has happened in the United States to inside recreation facilities, such as those the Ghermezians are proposing in

Edmonton or Toronto, we find that the last four major malls have all gone into receivership at considerable cost to the various people they owed money to.

I hear the Minister of Consumer and Commercial Relations say: "It would create jobs. It would create tourism." I very much doubt that anybody is going to come to Toronto specifically to see a mall in Mississauga. I doubt there will be that many Chicago businessmen who are going to say, "We want to have our convention in Toronto because we want to go to Mississauga to see this great new mall that is being built by the Ghermezians." It simply will not happen.

What we are going to do instead is simply remove jobs from the—I am sorry, I have lost the Treasurer's attention. I am sure if the member from Mississauga wishes to stand up and speak, he may address the House on this.

What we are talking about is a minimum of two times the amount that was invested in the domed stadium, an investment that would create, as experience has shown in Edmonton and in other cities, a loss of jobs in existing malls, in some cases a transfer of jobs from existing malls and a loss of revenue to small businessmen who cannot afford to relocate in a megamall because of the high rental fees in larger malls. There would be no increase in tourist trade of any account, and there would be a gross expenditure of taxpayers' money.

I find it somewhat ironic that the Minister of Consumer and Commercial Relations can go around musing about this, while at the same time this government has said to municipalities through legislation: "You cannot go and play the game of offering goodies, financial discounts, to attract industry into your community. You cannot use taxpayers' money to do this kind of thing. However, as the provincial government, we are considering doing it." This is the kind of fiscal irresponsibility that makes one more than a little anxious.

I also get a little anxious when I look at some of the other fiscal programs of this government. If we look, as the standing committee on public accounts has done, at the sale or attempted sale of crown corporations, we see that there is absolutely no planning to it. There are no planning reasons as to why certain crown corporations are being sold off. Looking at the Urban Transportation Development Corp., over and over again we asked the officials of UTDC and the officials of the Ministry of Transportation and Communications, "What was the transportation strategy in the sale of this company?" We found none.

Instead, it was the Treasurer saying: "Gosh, it is a nifty idea. Our brother Mulroney is doing it. He is selling off crown corporations. It seems like a good way to raise revenue. We will pick a bright public servant, one of the brightest and most articulate we can find, and we will tell him to make a list of all crown corporations. Then we will say, 'Which ones are we going to sell off?'"

The last one I expected the Treasurer to be able to sell off was Minaki Lodge; I gather that perhaps he is not selling it off but is giving it away. With that one, there may be some reason. It was the Provincial Auditor in 1977 or 1978—I forget the year—who came out with a recommendation to the then government that said: "For heaven's sakes, cut your losses. It is never going to fly. You are always going to lose money on it." Finally, this Treasurer has caught up to that.

What happens when it comes to UTDC? It seems we are virtually paying Lavalin to take a viable company that was getting contracts and that had proved itself, notwithstanding the negative comments of Mr. Cunningham, the former Liberal transportation critic. It was proving itself and did prove itself in its trial run at the exhibition in Vancouver this year.

We have a lack of any policy directive. "Let us sell off a bunch of crown corporations. Let us see which ones somebody will buy or we can give away and let us proceed along with that." That has nothing to do with the priorities that I think are important: What kind of jobs are going to be created, and where does this policy fit into an overall policy of this ministry and of this government?

17:50

Let me deal with another issue in which, as our party's critic on government spending, I was more recently involved. This morning, before the Workers' Compensation Appeal Tribunal, I represented a young man who had spent a considerable amount of time in hospital at an unreasonable cost to the taxpayers through the Ontario health insurance plan. One of the things he was talking about was that, finally, his union was able to persuade his company that it was unreasonable for workers such as himself to be engaged in the type of movement that caused his original injury. This man has been off work since 1983.

One of the things members of this party did during the spring and summer months was to go around the province to look at exactly how money was being spent on accident prevention. One of the organizations we constantly heard criticism of was the Industrial Accident Preven-

tion Association. On our motion in the standing committee on public accounts, the Provincial Auditor looked at the IAPA.

The Treasurer will be aware that this organization, which has expenditures totalling more than \$13 million, was found deficient with respect to travelling and hospitality expenses, purchasing procedures, controls over movable assets, inventory of literature and so on and on. I was embarrassed for the president, a man who comes from industry and who was undoubtedly giving freely of his time because he genuinely believes it is important to prevent accidents in the work place. But he was on top of this big machine that had taken over, and this big machine had a life of its own; that life was not necessarily in the interests of either the taxpayers or the injured workers.

On Thursday in the public accounts committee, we will have a 20-part motion dealing with the problems of the IAPA. I will not go through each of the 20 recommendations, but I suggest to the Treasurer, as somebody who is concerned about how money is being wasted in this province, that he should read that motion seriously and consult with his colleagues before they go into that committee.

Were the 20 recommendations implemented, not only would they result in a saving of the taxpayers' money through OHIP, hospitalization and indirectly through premiums that are paid through workers' compensation, but also they would literally save ordinary people's lives. I hope the Treasurer will address himself to some of the concerns I have raised and in particular will look at our motion concerning the IAPA and its \$13 million in expenditures, which does not seem to be very well spent at this time.

I would love to talk about other expenditures, but I see the clock is running on.

Regarding golden handshakes, we have dealt with a few of those in the public accounts committee, and we will be dealing with a platinum handshake soon. No doubt I will have an opportunity, at least in the case of the latter, to question the Treasurer if he is called or wishes to appear before that committee.

Hon. Mr. Nixon: I want to comment on a couple of things the honourable member was referring to.

When my colleague the Minister of Consumer and Commercial Relations was talking about the Ghermezian proposal for Mississauga, he was not making any commitment that I could discern. I understand he went to the West Edmonton Mall to look it over, was well received by Nader and

his brothers and went down in the submarine. Unfortunately, the roller-coaster was not working very well that day, but he was very impressed, as is everyone who has been there.

Although I have been in Edmonton a couple of times, I have never had the opportunity to go to the West Edmonton Mall. I have been so busy with these conferences that there is no time to relax.

Mr. Breagh: What a shame. It is the strain of public office. We should help the Treasurer out.

Hon. Mr. Nixon: Just a hamburger at the end of the day and fall into bed; that is about it. I have not had a chance to see the West Edmonton Mall, but I am informed by people whose sensitivity and appreciation of these matters are well known that it is a remarkable place indeed.

The government of Ontario certainly does not want to turn away anyone who wants to make investments here. As far as I know, no one in the government, including the minister referred to by the member, has given anything but the kind of encouragement we would give any investor who would like to come here and share in the buoyancy of our economy and the goodwill of our people. We would think of the honourable member's words very carefully if we were to contemplate anything other than that.

We want to encourage initiatives that will improve our employment prospects, particularly for young people, and add to our burgeoning economy. Whether the Ghermezians' proposal would do that remains to be seen. They have the right, as does any other developer, to come down here and do the best they can, both to persuade government to be enthusiastic about the proposal and to take their chances in the retail marketplace of Ontario, which is a very competitive one.

The member also referred to some other matters that the public accounts committee is reviewing, including the safety organization. I talked to some of my colleagues on the committee, and they are quite concerned about it as well. I am sure the 20-point program the member is putting before the committee will have the benefit of everybody's careful review, and we will see what kind of report comes back to the House.

I can hardly wait for my chance to go to the committee and discuss the retirement arrangements with the former Clerk of the Legislature. It is a matter of interest and concern to lots of people.

Mr. Philip: If the government has an economic strategy, why is the Minister of Consumer and Commercial Relations spouting off and in fact

offering in a public way in the newspapers a large amount of the taxpayers' money to the Ghermezians? If the government does not want to have an affair, why create the flirtation? It is simply nonsense.

The minister has thrown a major panic into the employees of a large number of corporations, be they Cadillac Fairview, Eaton's or any of the other groups of companies that had no subsidies from the government. They are saying, "Here we are having the Ghermezians, outsiders, coming into this province who would be competitors to us, and the Minister of Consumer and Commercial Relations is saying publicly in the newspapers and on the airwaves, 'Make us an offer and perhaps we can come up with a large amount of money.'"

The \$60 million did not come out of the air; it came out of the Ministry of Consumer and Commercial Relations. The hour-long visit with the Premier did not come out of the air. It was a

real visit the Ghermezians had with the Premier, as I understand it. If the government is not interested in playing ball with these guys, why is it wasting time doing it this way?

If the Ghermezians want to come in and build a mall with their own money, not with \$60 million of the taxpayers' money, let them do it. Let them take their chances against Cadillac Fairview and all the other companies operating here in Ontario, but to give them a competitive edge with the taxpayers' money is simply irresponsible. If the Treasurer does not intend to do that, why does he not have the Minister of Consumer and Commercial Relations or the Premier stand up in this House and say once and for all, clearly and definitively, "There is no tax money for that purpose"?

On motion by Hon. Mr. Nixon, the committee of supply reported progress.

The House adjourned at 6 p.m.

ERRATA

No.	Page	Column	Line	Should read:
57	2948	1	55	Mr. McCague moved resolution 15:
57	2956	2	31	Mr. Speaker: Mr. Offer has moved resolution 50.
57	2956	1	36	resolution 15.

APPENDIX A

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

PUBLICATION COSTS

299. Mr. Gillies: Would the Minister of Labour provide the cost to the taxpayers of publishing the workers' compensation tribunal appeals, specifically the cost of providing each member with a copy of each appeal? [Tabled May 26, 1986]

Hon. Mr. Wrye: The cost of publishing and distributing the workers' compensation appeals tribunal decisions for the period October 1, 1986, to May 31, 1986, including its newsletters, pamphlets and indexes, is \$39,041.

Cost of WCAT information service for MPPs and constituency offices (121 MPPs and 11 constituency offices) for the period October 1, 1985, to May 31, 1986, is \$3,276.88. This included the newsletters, indexes and the full text of all decisions issued during this period.

The cost referred to is the publishing and mailing costs.

These expenses are not a direct cost to the taxpayers. Pursuant to the Workers' Compensation Act, they are paid out of the workers' compensation accident fund maintained by employer assessments.

The introductory phase of the tribunal's publication program in which the full texts of all decisions were distributed free of charge ended May 30, 1986. Beginning June 1, the tribunal will discontinue free distribution of the full text of its decisions. The newsletter, decision index and decision digest will continue to be distributed as before. The full text of significant decisions will be available, but only on specific request.

As of July 1, 1986, the tribunal will begin to charge for copies of the full text of significant decisions. Individual decisions will be available at \$2 per decision. An annual subscription covering WCAT significant decisions will be available at a cost of \$60.

COMPUTER CONTRACTS

315. Mr. Gillies: Would the Chairman of Management Board of Cabinet provide the names of all companies within the past year that have signed contracts to provide computers, computer software and computer hardware to any Ontario government ministry, agency, board, commission or committee of the Legislature? Will the minister table the amounts of these

contracts and indicate whether they were tendered? [Tabled June 24, 1986]

See sessional paper 207.

RESIDENTIAL RENT REGULATION
LEGISLATION

339. Mr. Reville: Would the Minister of Housing provide the following information: If the residential complexes costs index, as defined in Bill 51, equals 5.1 per cent, as stated by the minister in the Legislature on July 3, 1986, is it true that (a) rental buildings experiencing economic loss could be subject to an increase of up to 10.1 per cent; (b) rental buildings with rents that are "chronically depressed" could be subject to an increase of 7.1 per cent; and (c) newly constructed buildings could experience an increase of up to 15.3 per cent, three times the guideline, if such an increase was required so that the landlord can achieve the rate of return guaranteed by Bill 51? [Tabled July 7, 1986]

Hon. Mr. Curling: In response to the above-noted question, I am pleased to provide the following information:

(a) Buildings first occupied as rental between January 1, 1976, and which received a building permit on or before July 1, 1986, can receive a five per cent increase over and above the statutory guideline for that year if the building is experiencing economic loss. I am able to confirm that a five per cent award for economic loss on top of a 5.1 per cent statutory guideline increase does work out to 10.1 per cent. I would add, however, that not all buildings falling into this category would receive the five per cent allowance. It takes between five and seven years for most buildings to achieve an economic break-even level. Consequently, those buildings constructed as recently as 1981 may be achieving economic break-even revenues. These buildings would not be able to justify any increase over the statutory guideline under clause 77(2)(a).

(b) The two per cent allowance for buildings with chronically depressed rents is added to the statutory guideline. I refer to the study conducted by York University which determined that, at most, two per cent of units would be able to make use of this allowance. The other important consideration is that once nondepressed levels of rent or a 10 per cent return on investment is

achieved, or where maintenance falls below the minimum province-wide standards, the two per cent allowance is terminated.

(c) For buildings where the building permit was issued after July 1, 1986, the allowance for economic loss can be three times that statutory guideline, as indicated by sub-subclause 77(2)(b)(ii)(C). For a guideline of 5.1 per cent, that would work out to 15.3 per cent. This is a vast improvement over the situation now, where in an unregulated market, tenants are facing 30 and 50 per cent increases.

The intent of Bill 51 is to achieve economic break-even rents in a staged, even progression. Once economic break-even levels have been achieved, however, these buildings will be treated like any other under rent review.

DOCTORS' CONTRACTS

374. Mr. Wildman: Would the Minister of Health indicate how the ministry has monitored the compliance of doctors who are under contract with the underserved area program during the recent "job action" of the Ontario Medical Association; provide the number of such doctors who have failed to honour their contracts by taking extended "holidays" beyond the four weeks' vacation allowed under section 5 of the incentive grant agreement or by participating in the "strike" directly; and explain what disciplinary actions are being taken by the ministry against any doctors who have violated these contracts under this program? [Tabled July 8, 1986]

Hon. Mr. Elston: During the recent "job action" of the Ontario Medical Association, the underserved area program had no formal program to monitor the compliance of doctors who are under contract with the underserved area program. Where there are any problems with services provided by doctors on the underserved area program, the municipal officials, hospital administrators or clinic managers advise the office of the underserved area program in Toronto. We are not aware of any doctors who have failed to honour their agreements during the recent "job action."

ENVIRONMENTAL CHARGES

381. Mr. Sterling: Would the Minister of the Environment provide details of charges laid against Ault Foods Ltd. in Winchester, Burton Sanitation in Kingston, Dupont Canada Ltd. in Maitland, the Greater Napanee Water Supply, Pembroke Sanitary Services, Ontario Hydro in Perth and the village of Merrickville? Would the minister include the date of the offence, the facts surrounding the offence, the status of the case and any correspondence of explanations given to him by each of the defendants? [Tabled October 14, 1986]

See sessional paper 212.

INTERIM ANSWERS

396. Mr. Wiseman: Hon. Mr. Nixon—The normal period of 14 days will be insufficient to provide the information required to answer this question. The answer should be available on or about January 5, 1987.

399 and 400. Mr. Jackson: Hon. Mr. Sorbara—A response is being prepared and will be available on or about November 3, 1986.

RESPONSE TO PETITION

BUS SERVICE

Sessional paper 183, re bus service provided by Ontario Northland between Wawa and Sault Ste. Marie.

Hon. Mr. Peterson: The ONTC has met with officials of Wawa to discuss the low ridership on the service. Because of the importance of the service to Wawa and the surrounding area, it will not be terminated but will instead be reduced to a biweekly schedule (Tuesdays and Thursdays) in an attempt to increase passenger loads.

INTERIM RESPONSE

Sessional paper 177. Hon. Mr. Scott—The ministry requires additional time to prepare a response. A response will be forthcoming on or about November 24, 1986.

APPENDIX B

ALPHABETICAL LIST OF MEMBERS*
(125 members)

Second Session, 33rd Parliament

Lieutenant Governor: Hon. L. M. Alexander, PC, QC

Speaker: Hon. H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

- Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
 Ashe, G. L. (Durham West PC)
 Baetz, R. C. (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
 Bennett, C. F. (Ottawa South PC)
 Bernier, L. (Kenora PC)
 Bossy, M. L. (Chatham-Kent L)
- Bradley, Hon. J. J.**, Minister of the Environment (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breugh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Callahan, R. V. (Brampton L)
 Caplan, Hon. E. (Oriole L)
 Charlton, B. A. (Hamilton Mountain NDP)
- Conway, Hon. S. G.**, Minister of Education (Renfrew North L)
 Cooke, D. R. (Kitchener L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cordiano, J. (Downsview L)
 Cousens, W. D. (York Centre PC)
 Cureatz, S. L. (Durham East PC)
- Curling, Hon. A.**, Minister of Housing (Scarborough North L)
 Davis, W. C. (Scarborough Centre PC)
 Dean, G. H. (Wentworth PC)
- Eakins, Hon. J. F.**, Minister of Tourism and Recreation (Victoria-Haliburton L)
- Edighoffer, Hon. H. A.**, Speaker (Perth L)
- Elston, Hon. M. J.**, Minister of Health (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Ferraro, R. E. (Wellington South L)
 Fish, S. A. (St. George PC)
 Fontaine, R. (Cochrane North L)
 Foulds, J. F. (Port Arthur NDP)
- Fulton, Hon. E.**, Minister of Transportation and Communications (Scarborough East L)
 Gigantes, E. (Ottawa Centre NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
- Grandmaître, Hon. B. C.**, Minister of Municipal Affairs (Ottawa East L)
 Gregory, M. E. C. (Mississauga East PC)
 Grier, R. A. (Lakeshore NDP)
 Grossman, L. S. (St. Andrew-St. Patrick PC)
 Guindon, L. B. (Cornwall PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Hart, C. E. (York East L)
 Hayes, P. (Essex North NDP)
 Henderson, D. J. (Humber L)
 Hennessy, M. (Fort William PC)
 Jackson, C. (Burlington South PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
- Kerrio, Hon. V. G.**, Minister of Natural Resources and Minister of Energy (Niagara Falls L)
- Keyes, Hon. K. A.**, Solicitor General and Minister of Correctional Services (Kingston and the Islands L)
 Knight, D. S. (Halton-Burlington L)
- Kwinter, Hon. M.**, Minister of Consumer and Commercial Relations (Wilson Heights L)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
 Leluk, N. G. (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Mancini, R. (Essex South L)
 Marland, M. (Mississauga South PC)
 Martel, E. W. (Sudbury East NDP)
 McCaffrey, R. B. (Armourdale PC)
 McCague, G. R. (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McFadden, D. J. (Eglinton PC)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
 McNeil, R. K. (Elgin PC)
 Miller, F. S. (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Morin, G. E., Deputy Chairman of Committee of the Whole House (Carleton East L)
 Morin-Strom, K. (Sault Ste. Marie NDP)

Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)
 Newman, B. (Windsor-Walkerville L)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)
 O'Connor, T. P. (Oakville PC)
 Offer, S. (Mississauga North L)
O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)
 Partington, P. (Brock PC)
Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Pierce, F. J. (Rainy River PC)
 Poirier, J. (Prescott-Russell L)
 Pollock, J. (Hastings-Peterborough PC)
 Polsinelli, C. (Yorkview L)
 Pope, A. W. (Cochrane South PC)
 Pouliot, G. (Lake Nipigon NDP)
 Rae, R. K. (York South NDP)
 Ramsay, D. (Timiskaming L)
 Reville, D. (Riverdale NDP)
 Reycraft, D. R. (Middlesex L)
Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)
 Rowe, W. E. (Simcoe Centre PC)
 Runciman, R. W. (Leeds PC)
Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)
 Sargent, E. C. (Grey-Bruce L)
Scott, Hon. I. G., Attorney General (St. David L)
 Sheppard, H. N. (Northumberland PC)
 Shymko, Y. R. (High Park-Swansea PC)
 Smith, D. W. (Lambton L)
 Smith, E. J. (London South L)
Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)
 South, L. (Frontenac-Addington L)
 Stephenson, B. M. (York Mills PC)
 Sterling, N. W. (Carleton-Grenville PC)
 Stevenson, K. R. (Durham-York PC)
 Swart, M. L. (Welland-Thorold NDP)
Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)
 Taylor, J. A. (Prince Edward-Lennox PC)
 Timbrell, D. R. (Don Mills PC)
 Treleaven, R. L., Deputy Speaker and Chairman of Committee of the Whole House (Oxford PC)
 Turner, J. M. (Peterborough PC)

Van Horne, Hon. R. G., Minister without Portfolio (London North L)
 Villeneuve, N. (Stormont, Dundas and Glengarry PC)
 Ward, C. C. (Wentworth North L)
 Warner, D. W. (Scarborough-Ellesmere NDP)
 Wildman, B. (Algoma NDP)
 Wiseman, D. J. (Lanark PC)
Wrye, Hon. W. M., Minister of Labour (Windsor-Sandwich L)
 Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines
 Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue
 Conway, Hon. S. G., Minister of Education
 Bradley, Hon. J. J., Minister of the Environment
 Scott, Hon. I. G., Attorney General
 Riddell, Hon. J. K., Minister of Agriculture and Food
 Eakins, Hon. J. F., Minister of Tourism and Recreation
 Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy
 O'Neil, Hon. H. P., Minister of Industry, Trade and Technology
 Sweeney, Hon. J., Minister of Community and Social Services
 Elston, Hon. M. J., Minister of Health
 Wrye, Hon. W. M., Minister of Labour
 Grandmaître, Hon. B. C., Minister of Municipal Affairs
 Curling, Hon. A., Minister of Housing
 Fulton, Hon. E., Minister of Transportation and Communication
 Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services
 Kwinter, Hon. M., Minister of Consumer and Commercial Relations
 Munro, Hon. L. O., Minister of Citizenship and Culture
 Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development
 Van Horne, Hon. R. G., Minister without Portfolio
 Ruprecht, Hon. T., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Cordiano, J., assistant to the Minister of Colleges and Universities (Downsview L)

Epp, H. A., assistant to the Treasurer (Waterloo North L)
 Ferraro, R. E., assistant to the Minister of Industry, Trade and Technology (Wellington South L)
 Haggerty, R., assistant to the Minister of Government Services (Erie L)
 Henderson, D. J., assistant to the Minister of Community and Social Services (Humber L)
 Mancini, R., assistant to the Premier (Essex South L)
 McGuigan, J. F., assistant to the Minister of Natural Resources and the Minister of Energy (Kent-Elgin L)
 McKessock, R., assistant to the Solicitor General and Minister of Correctional Services (Grey L)
 Miller, Mr. G. I., assistant to the Minister of Agriculture and Food (Haldimand-Norfolk L)
 Offer, S., assistant to the Minister of Consumer and Commercial Relations (Mississauga North L)
 Poirier, J., assistant to the Minister of the Environment (Prescott-Russell L)
 Polsinelli, C., assistant to the Minister of Labour (Yorkview L)
 Reycraft, D. R., assistant to the Minister of Education (Middlesex L)
 Sargent, E. C., assistant to the Minister of Tourism and Recreation (Grey-Bruce L)
 Ward, C. C., assistant to the Minister of Health (Wentworth North L)

STANDING COMMITTEES

Administration of justice: chairman, Mr. Brandt; vice-chairman, Ms. Fish; members, Messrs. Charlton, D. R. Cooke, Ms. Gigantes, Ms. Hart, Messrs. O'Connor, Partington, Polsinelli, Ramsay and Rowe; clerk, L. Mellor.

Finance and economic affairs: chairman, Mr. D. R. Cooke; vice-chairman, Mr. Ferraro; members, Messrs. Ashe, Cordiano, Foulds, Haggerty, Ms. Hart, Messrs. Mackenzie, McFadden, Miss Stephenson and Mr. Taylor; clerk, F. Carrozza.

General government: chairman, Mr. McCague; members, Mr. Fontaine, Mrs. Grier, Messrs. Guindon, Henderson, Lane, McKessock, Pollock, Sargent, Sterling and Swart; clerk, D. Deller.

Government agencies: chairman, Mr. Gregory; members, Messrs. Ferraro, Grande, Hayes, J. M. Johnson, Leluk, Mrs. Marland, Messrs.

Mitchell, Ramsay, Sargent and D. W. Smith; clerk, D. Arnott.

Legislative Assembly: chairman, Mr. Breaugh; vice-chairman, Mr. Mancini; members, Messrs. Bossy, Dean, Martel, Morin, Newman, Treleaven, Turner, Villeneuve and Warner; clerk, L. Mellor; assistant clerk, T. Decker.

Ombudsman: chairman, Mr. McNeil; vice-chairman, Mr. Sheppard; members, Messrs. Bossy, Hayes, Henderson, Hennessy, McLean, Morin, Newman, Philip and Shymko; clerk, T. Decker.

Public accounts: chairman, Mr. Runciman; vice-chairman, Mr. Gillies; members, Messrs. Barlow, Callahan, Davis, Epp, Mancini, Philip, Pope, D. W. Smith and Wildman; clerk, D. Arnott.

Regulations and private bills: chairman, Mr. Callahan; vice-chairman, Mr. Haggerty; members, Ms. Bryden, Messrs. Cureatz, Fontaine, Hennessy, McKessock, Poirier, Pouliot, Shymko and Wiseman; clerk, T. Manikel.

Resources development: chairman, Mr. Laughren; vice-chairman, Mr. Reville; members, Mr. Bernier, Ms. Caplan, Messrs. Cordiano, Epp, Gordon, Morin-Strom, Pierce, Ms. E. J. Smith and Mr. Stevenson; clerk, T. Decker; assistant clerk, T. Manikel.

Social development: chairman, Mr. R. F. Johnston; vice-chairman, Mr. Allen; members, Messrs. Andrewes, Baetz, Cousens, Grande, Jackson, G. I. Miller, Offer, Reycraft and Ward; clerk, F. Carrozza.

SELECT COMMITTEES

Economic affairs: chairman, Mr. D. R. Cooke; vice-chairman, Mr. McGuigan; members, Mr. Barlow, Ms. Caplan, Messrs. Cordiano, Ferraro, Mackenzie, McFadden, Morin-Strom, Miss Stephenson and Mr. Taylor; clerk, D. Arnott.

Health: chairman, Mr. Callahan; vice-chairman, Mr. Poirier; members, Messrs. Andrewes, Baetz, D. S. Cooke, R. F. Johnston, Polsinelli, Reycraft, Sargent, Miss Stephenson and Mr. Turner; clerk, D. Deller.

*The lists in this appendix, brought up to date as necessary, are published in Hansard in the first and last issues of each session and on the first sitting day of each month.

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SPEAKERS IN THIS ISSUE

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Andrewes, P. W. (Lincoln PC)
Ashe, G. L. (Durham West PC)
Barlow, W. W. (Cambridge PC)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Callahan, R. V. (Brampton L)
Conway, Hon. S. G., Minister of Education and acting Minister of Government Services (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Davis, W. C. (Scarborough Centre PC)
Dean, G. H. (Wentworth PC)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
Foulds, J. F. (Port Arthur NDP)
Fulton, Hon. E., Minister of Transportation and Communications (Scarborough East L)
Gigantes, E. (Ottawa Centre NDP)
Grandmaître, Hon. B. C., Minister of Municipal Affairs (Ottawa East L)
Gregory, M. E. C. (Mississauga East PC)
Grier, R. A. (Lakeshore NDP)
Grossman, L. S. (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Johnston, R. F. (Scarborough West NDP)
Kwinter, Hon. M., Minister of Consumer and Commercial Relations and Minister of Financial Institutions (Wilson Heights L)
Mackenzie, R. W. (Hamilton East NDP)
McCague, G. R. (Dufferin-Simcoe PC)
McClellan, R. A. (Bellwoods NDP)
McFadden, D. J. (Eglinton PC)
Morin, G. E., Deputy Chairman of the Committees of the Whole House and Acting Speaker (Carleton East L)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics, Minister of Revenue and acting Chairman of the Management Board of Cabinet (Brant-Oxford-Norfolk L)
Offer, S. (Mississauga North L)
Philip, E. T. (Etobicoke NDP)
Rowe, W. E. (Simcoe Centre PC)
Scott, Hon. I. G., Attorney General (St. David L)
Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)
Treleaven, R. L., Deputy Speaker and Chairman of the Committees of the Whole House (Oxford PC)
Warner, D. W. (Scarborough-Ellesmere NDP)

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